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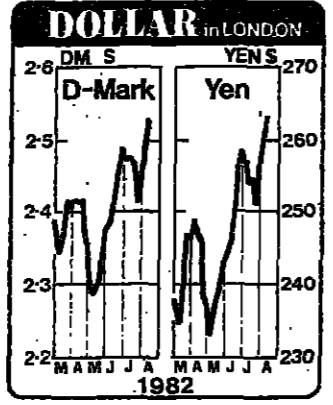
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**NEWS SUMMARY**

**GENERAL**  
**Fire on London Tube: 10 hurt**  
Ten people were taken to hospital last night after two rush-hour trains were trapped by fire in a tunnel on the London Underground.  
The incident happened on the Piccadilly line at Wood Green, north London. About 60 people were treated with oxygen at the scene of the accident after firemen evacuated the blazing trains, and 10 were taken to North Middlesex Hospital after being overcome by smoke. Five hundred passengers walked to safety from the smoke-filled tunnel.

**BUSINESS**  
**Interest rate optimism boosts \$**  
DOLLAR improved on optimism about U.S. interest rates and finished at its highest against the yen since September 1977, a one-year high against the D-mark and its highest ever against the French franc. It closed at DM 2.5275 (DM 2.511), ¥263.5 (¥263.25) and FF 7.0225 (FF 6.9825). Bank of England trade-weighted index was 122.6 (121.9). Page 26; Yen in Tokyo at 28-month low, Page 3



**Falkland incident**  
The Ministry of Defence confirmed that British aircraft and a warship intercepted an Argentine fishing boat off the Falkland Islands on Friday and ordered it out of the area.

**Trial date**  
Michael Fagan, the man who entered the Queen's bedroom, will go on trial at the Old Bailey on September 23, charged with trespass and stealing a bottle of wine on June 7.

**Krays at funeral**  
East End gangster twins Ronnie and Reggie Kray, 49, serving life for murder, were hugged and kissed by relatives and friends when they were allowed out of goal to attend their mother's funeral.

**Theatre museum**  
Arts Minister Paul Channon announced plans for a £4.3m theatre museum in London's Covent Garden.

**Greenpeace move**  
Six members of Greenpeace spent a second day chained to the platforms of the UK nuclear waste disposal vessel Gem in the Atlantic, but failed to prevent dumping continuing.

**Sailing home**  
Sailor Tom McClean, 38, is due to reach Falmouth this morning, completing the first solo crossing from North America to Britain in a boat less than 10 ft long.

**Fonda very ill**  
Henry Fonda's family are keeping a round-the-clock vigil at the 77-year-old actor's bedside in a Los Angeles hospital. He is seriously ill with a heart condition.

**Off the rails**  
British Rail is investigating how 20 passengers came to be stranded on an embankment near Lancaster in the middle of the night when the Glasgow to London train broke down.

**Fine increase**  
The RAC warned motorists travelling to Italy that on-the-spot traffic fines have been increased fivefold.

**Deadly blow**  
Safak Mantar, an undertaker in Samsun, Turkey, was killed when a tree branch he was cutting for a coffin fell on his head.

**Briefly...**  
Margaret Thatcher arrived in Geneva for a two-day visit.  
Wall of mud and water killed 19 in Taipei after heavy rains.  
Spain opened a superprison for 550 inmates near Madrid.  
Truck plunged into a river in Turkey, killing 19 passengers.

**FINANCIAL TIMES**  
The Financial Times apologises for the non-publication of yesterday's issue. This was due to industrial action by members of the Fleet Street branch of the Electrical, Electronic, Telecommunications and Plumbing Union.

**GRIEF PRICE CHANGES YESTERDAY**

RISES		FALLS	
Treas. 7½pc '85-88	+2 3/8	General Accident	-16
Treas. 11½pc 2001-04/06	+2 1/8	Habitat Mothercare	-15
Amerisham	+2 1/8	Herrburger Brooks	-15
BAT Inds.	+2 1/8	HL Holdings	-10
BCC	+2 1/8	HL Holdings	-10
Bowthorpe	+2 1/8	Ocean Transport	-9
Euromath	+2 1/8	Quest Automation	-3
Flacons	+2 1/8	Royal Insurance	-15
Glaxo	+2 1/8		
Grand Met	+2 1/8		
Horizon Travel	+2 1/8		
Mechst. Ship Ctr.	+2 1/8		
TI	+2 1/8		
Toser Kamsley	+64 + 4		
Clyde Pet.	+90 + 10		
LASMO	+295 + 20		
Gold Fields SA	+£324 + 2		

(Prices in pence unless otherwise indicated)

**Begin says PLO withdrawal could start next week**

BY PATRICK COCKBURN IN TEL AVIV  
THE EVACUATION of Palestinian fighters from Lebanon could begin next week, Mr Memshagan Begin, the Israeli Prime Minister, said yesterday. The growing optimism in Israel that a resolution of the Lebanese crisis was close at hand followed a day of talks between Mr Philip Habib, the U.S. special envoy, and Israeli leaders.  
Mr Habib's peace plan involving phased withdrawal of the Palestine Liberation Organisation from West Beirut was approved in broad principle by the Israeli Government on Tuesday.  
Syria's agreement to give refuge to PLO forces is considered to be a crucial development. Syria will take as many Palestinian fighters from Lebanon as the PLO wishes to send, the official Syrian news agency Sana said.  
Nevertheless Israel is still holding out against the arrival of any international forces in Beirut until the bulk of PLO fighters has departed.  
Underlining the threat to take Beirut by force if the peace plan fails Israeli bombers yesterday pounded positions in and around the city for three hours. The aircraft and artillery concentrated on the Bourj el Barajneh refugee-camp just north of Beirut's airport which, the Israeli army claimed, was empty of civilians.  
In his talks in Jerusalem yesterday Mr Habib carried a list of countries—Yvria, Iraq, Jordan, Sudan, Tunisia and North and South Yemen—which have agreed to accept the PLO fighters, estimated to number between 7,000 and 9,000.  
A key issue believed still to be causing problems is the French-U.S.-Italian peacekeeping force which is to oversee the Palestinian withdrawal.  
The deployment of the 1,500 or so force will be delicate and complex because it falls between demands by the PLO that the peacekeepers move in as early as possible in the evacuation and demands by Mr Begin that it stays out long enough to ensure that the guerrillas cannot use the force as a shield.  
Mr Chafiq al-Wazzan, Lebanon's Prime Minister, expressed concern yesterday over the reported deployment of 40 Israeli armoured vehicles around Beirut, north of the capital. Beirut radio said an armoured brigade had been assembled there and that some tanks had been moving eastwards towards the towns of Laqlouq and Agoura, high in the mountains that divide Lebanon in half.  
This is Israel's most northern advance although co-operation has been close with the Christian militias in this region in the siege of West Beirut.  
Beirut radio quoted Mr al-Wazzan as saying that these new Israeli moves, reports of which were denied by the Israeli army, had serious military and political implications. From these hills Israeli forces would be able to overlook Syrian positions.  
Although the Habib plan seems to be winning general acceptance, Israeli officials fear Continued on Back Page  
Leadership question for Begin, Page 3

**Freight Rover wins £10m light van order from BT**

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT  
THE BIGGEST order ever placed in Britain for light vans—for 2,500, worth about £10m—has been won by BL's subsidiary Freight Rover.  
British Telecom awarded the deal after intense competition between UK-based manufacturers. Karrier Motors, jointly owned by Talbot and Renault of France, had intended to begin assembly of the Renault Trafic van at Dunstable if it had been awarded the contract.  
In the event, British Telecom has opted for Freight Rover's Sherpa, recently re-launched in a modified version after a £30m investment programme. Other contenders were the Ford Transit and the Bedford CF van which is made by General Motors at Dunstable.  
BL nearly killed off its Sherpa van manufacturing business last year because of its poor financial state. However it was then decided to give the operation its own management team with instructions to go ahead with the £30m investment programme.  
The order for 2,500 chassis-cabs, using 1.7 litre petrol engines, has to be completed quickly—between September this year and March next. Freight Rover would not give details of the value of the deal except to say that the vans would have a showroom value of £13m.  
British Telecom plans to order about 2,500 new vans a year but it stressed that they would not necessarily all be from the same manufacturer.  
The corporation is using a new system involving a removable van body which would fit any of the competitive vans.  
Karrier said 150 jobs would be created at its Dunstable plant if the Trafic was assembled there. While it was disappointed not to have won this year's order, it had taken this possibility into consideration when making recent cuts.  
Karrier axed 300 jobs—17 per cent of its 2,000 workforce in London, Coventry and Dunstable—in a reorganisation earlier this year.  
The company indicated that it would almost certainly be in the running for next year's contract. "The Trafic meets British Telecom's requirements," a spokesman said.  
British Telecom claims to have Western Europe's largest vehicle fleet. It comprises 54,000 vehicles and 6,000 trailers, of which 21,000 vehicles are 15-cwt vans of the type being replaced.  
In the past, the organisation favoured Dodge Spacevans made at Dunstable, but Karrier stopped making them in February because it would have been too expensive to alter the vehicles to meet new EEC braking regulations.  
General Motors to close two plants and Talbot workers put on two-day week, Page 7

**BP and LASMO buy Dome interests**

BY RAY DAFTER, ENERGY EDITOR  
BRITISH PETROLEUM and London and Scottish Marine Oil—a leading UK independent oil company—are jointly paying £934m (£199m) for most of the international exploration and production interests held by debt-troubled Dome Petroleum of Canada.  
As a result, both UK companies will be involved in a substantial investment programme, funds for which, they say, will be generated internally, over the next few years.  
The money will be needed to develop new oil fields in Indonesia, which are among the main assets involved in the transaction.  
The sale of drilling concessions, in 30 licence areas covering 10.8m acres forms part of a campaign by Dome—one of Canada's major energy corporations—to reduce its debts.  
Once the sale has been finalised at the end of October BP and LASMO will own 87.5 per cent of all the interests outside North America acquired by Dome through the take-over of Hudson's Bay oil and Gas, another large Canadian energy corporation, earlier this year.  
Dome still has to sell its U.S. oil and gas properties based in Denver, Colorado, and thought to be worth about \$350m.  
BP and LASMO said in London yesterday that the deal would extend their international interests and lessen their dependence on the North Sea. Both companies were critical of North Sea taxation and stressed that for this, and other reasons, it would be several years before new UK fields in which they had interests could be brought on stream.  
LASMO, the first important independent company to be spawned by the North Sea oil industry, is paying about \$35m as part of the deal. It will participate equally with BP in acquiring Dome's Indonesian interests including:  
● A 22 per cent interest in the Lalang Field in the Malacca Strait area. Production is expected to begin late next year.  
● Two further fields in the Malacca Strait and Kakap areas scheduled to be brought on stream in 1984.  
The development of these fields could increase LASMO's current rate of production—28,700 b/d from the North Sea Ninian Field—to well over 40,000 b/d by 1984.  
LASMO is also acquiring 87.5 per cent of Hudson's Bay interests in Australia, Brazil, Egypt, Italy, the Netherlands, Norway and the UK. None of these concessions yet has oil producing fields although the Australian acquisition includes the Woodada gas field where LASMO will become the operator and will lift its 2m cubic feet a day share of production.  
BP's action, involving about £70m, covers only Indonesian concessions. The company already has exploration interests in Egypt, Brazil, Australia and Europe.  
Drilling licences awarded, Page 8  
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For latest Share Index phone 01-246 8026

**AEG to seek foreign bank help**

BY KEVIN DOSE AND STEWART FLEMING IN FRANKFURT  
AEG-TELEFUNKEN, the financially stricken West German electrical group, will today ask its foreign bank creditors to keep open their existing lines of credit and to refrain from pressing for early repayment of loans.  
The foreign banks, whose loans to AEG's international subsidiaries are estimated at up to DM 2bn (£465m), will be told at a meeting in Zurich organised by AEG and Credit Suisse that their support could be crucial to the company's attempts to avoid bankruptcy by seeking the protection of the German courts.  
In return, the foreign banks are likely to press for a clear statement from AEG on its restructuring plans and on the financial status of its foreign subsidiaries. The court protection sought on Monday covers only the German parent company.  
West German banks have been asked to provide a further DM 1.1bn of loans to AEG to cover its liquidity needs in the next few months.  
The West German Government has already approved in principle a DM 600m export finance guarantee, and the company is seeking an additional DM 800m of loan guarantees.  
The immediate cash needs of the concern have been provided through temporary credits of about DM 200m from the company's three leading banks, Dresdner Bank, Deutsche Bank and Westdeutsche Landesbank.  
AEG has said that the necessary finance for the continuation of its business is guaranteed.  
The German banks must soon inform the consortium leader, Dresdner Bank, whether they are willing to provide these new funds. A positive decision is needed to restore confidence among suppliers and creditors. The new loans would automatically be given seniority under German law in the event of bankruptcy proceedings.  
Continued on Back Page

**TI Group and British Aluminium in profit**

BY IAN RODGER  
TI GROUP (formerly Tube Investments), one of Britain's largest engineering groups, made a small profit before tax in the first half of 1982. British Aluminium, its 58 per cent subsidiary, made a modest trading profit. Both companies suffered heavy losses last year.  
In spite of the first-half recovery neither company foresees any significant improvement in trading conditions for the rest of the year.  
Both companies' shares tumbled in the past few years as conditions in their engineering and aluminium businesses deteriorated. From a 1979 high of 440p TI shares fell to an 86p low last year. BA shares dropped from 271p in 1979 to a 32p low this year.  
Last autumn, as BA struggled with the high cost of running its Invergorran primary smelter, investors began to wonder about the company's survival and the effect its eventual demise might have on TI. The smelter, which lost £20m in 1981, was closed at the end of the year. BA wrote off £67m from its balance-sheet.  
Following yesterday's interim statements TI shares recovered 6p to 106p. BA shares gained 3p to 40p.  
TI made a profit before tax of £400,000 in the first half on sales of £32.7m, compared with a £9.4m loss in the second half of last year and a £23.1m loss in the first half of 1981.  
BA made a trading profit of £70,000 in the first half on sales of £115.5m, compared with a £5.9m trading loss in the first half of last year and a £13.7m trading loss in the whole of 1981. After interest charges the first-half loss was £3.7m, compared to £3.9m.  
TI maintained its interim dividend of 2.5p per share. BA is making a 0.1p interim payment to preserve its trustee status.  
TI said losses were being reduced in hiccups, that domestic appliances performed well and that demand for steel tubes suffered from the ending of orders from the U.S. oil industry.

**Unions braced for confrontation on labour laws**

BY PHILIP BASSETT, LABOUR CORRESPONDENT  
TRADE UNION leaders were bracing themselves last night for a confrontation over the Government's labour laws arising from industrial action taken by electricians employed by national newspapers in support of health service workers.  
Production in London of all national newspapers was halted yesterday by action by members of the Fleet Street Press branch of the Electrical and Plumbing Trades Union.  
The action was taken in spite of a court injunction obtained on Monday by the Newspaper Publishers' Association, the employers' group.  
The print unions Soget '82 and the National Graphical Association called off plans to disrupt the production of yesterday's papers following a request by Mr Albert Spawwick, TUC health services committee chairman.  
However, the electricians maintained their action.  
The NPA replied by applying to the High Court to commit Mr Sean Geraghty, the electricians' branch secretary, for contempt of court.  
The application is due to be heard tomorrow.  
Mr Geraghty has been elusive since the injunction naming him and seven other union officials was obtained. He said last night no writ had been served on him.  
The NPA was sceptical of this and expected Mr Geraghty in court tomorrow.  
The action is a major test of the provisions precluding sympathetic industrial action contained in the Employment Health Service unions may bring forward plans to step up their three-month pay dispute. The TUC Health Services Committee is considering holding a special meeting to decide on new measures, Page 10  
Trade union power versus the law, Page 10  
Act 1980, the Government's first piece of labour legislation. Like much of the Act's provisions, this had hardly been used.  
If an injunction obtained under its terms is disobeyed, those named on the injunction face the possibility of a fine—related to their individual finances, not to the finances of their union which would be liable when the Employment Bill becomes law—or imprisonment.  
Mr Geraghty, attending a health service workers' rally in Continued on Back Page

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EUROPEAN NEWS

Bombings goad lenient French into action against terrorism

BY DAVID WHITE IN PARIS

ANOTHER anti-Jewish attack was carried out in Paris yesterday morning... The right-wing opposition attacks the Government for a weakening of law and order.

also accuses France of excessive tolerance towards members of Eta, the Basque separatist organisation, whom Paris refuses to extradite.

The Mitterrand administration, criticised for slowness in dealing with the problem, has promised much tougher action, especially since the bombing of the Paris-Toulouse express in March.

The Socialist are very attached to a wide-ranging amnesty, enlarged asylum rights, the scrapping of the State Security Court—appeared to achieve some success.

government policy, and the settling of scores between foreigners. In the first category, there has definitely been a decrease since Mitterrand came to power.

The other main external factor is, Armenian nationalism. The "Orly" group was set up when a member of the Asala secret army was arrested at Orly Airport.

The arrest of another militant on a U.S. warrant in June sparked off renewed attacks against Latin Quarter cafes.

Spadolini seeks to rebuild his coalition

By Rupert Cornwell in Rome

THE ITALIAN Prime Minister-designate, Sig. Giovanni Spadolini, yesterday began his bid to form his second successive administration and avert the threat of an early general election this autumn.

Electronic watch over Spain's top criminals

By Robert Graham in Madrid

A MAXIMUM security prison equipped with some of the most sophisticated security devices in Europe, was inaugurated yesterday at Alcalá de Henares, near Madrid.

Each block contains its own visiting facilities, including 10 rooms for what are described as "innate visits."

Last October, the Government decided to accelerate a programme of prison reform in the wake of serious disturbances and hunger strikes in at least six prisons.

The basic problem is that Spain's creaking system of justice is so slow that the number of people in prison awaiting trial has risen sharply.

Incomes policy considered by Irish Cabinet

By Brendan Keenan in Dublin

A COMPREHENSIVE incomes policy, excluding company profits, covering dividends, wages and salaries, is believed to be one of three policy options put to the Irish Government as a base for its promised economic plan.

Ministers are unlikely to take such a pessimistic view, however, as income restraint may be an important element in whatever plan emerges.

Norsk Hydro considers building gas pipeline through Norway

BY FAY GJESTER IN OSLO

NORSK HYDRO, the Norwegian industrial and energy concern, has revealed it is studying the feasibility of moving gas by pipeline through Norway to Europe from fields off the coast of northern Norway.

It had been widely believed, previously, that a land pipeline to carry North Norwegian gas could most easily be laid via Sweden. Two of Sweden's state companies, Swedegas and Vattenfall, the water resources and power concern, have already embarked on a \$18m study of the latter, even though Norway has made no commitment to sell gas to Sweden.

Stigvoll, Norway's state oil concern, has cooperated by giving the Swedes details of finds made to date.

Norsk Hydro believes, however, that a line through Norway would not necessarily cost more than the Swedish alternative and could offer a number of advantages.

It would be easier to link the line with subsequent finds, which might be made further

down the coast. Norwegian consumers along its route could also tap the line to meet their own energy needs, and the spin-off in employment and regional development would benefit Norway, rather than Sweden.

Mr Hans Henrik Ramm, Norway's Deputy Oil Minister, is touring northern Norway this week, to discuss possible future development with local authorities and special interest groups—including Lapp reindeer owners, who grazing lands would be disturbed by a pipeline project.

He stressed that finds in the northernmost area (the Tromsø Patch), so far are not large enough to justify the cost of building production platforms in this hostile, stormy environment. Even if sufficient gas is found, development will take time. It is unlikely to start until around 1990, which means that the first gas from northern fields would not flow until 1995 at the earliest.

Gas reserves so far discovered on the Tromsø Patch

—after three summers of exploration drilling—total about 100bn-150bn cubic metres. Experts say about four times as much would be needed, to make development worthwhile.

Reuter adds: Norway has agreed to co-operate in oil and gas tapping from the Soviet part of the Barents Sea, Mr Arne Skjerve, the Minister of Trade, said yesterday. The Government has given Norway's offshore industries the go-ahead to sign exploration and exploitation contracts with the Soviet Union, he added.

The Soviet Union is believed to be considering projects in the eastern part of the sea for some \$1.5bn-\$2.2bn (£88.5m-£1.3bn), of which Norwegian industry would take a sizeable share.

Industry officials said six of Norway's leading shipyards and engineering companies were approached by the Soviet Government, which is seeking know-how for exploration to depths of 350-790 feet in three specific areas.

Oil imports show first quarter fall, IEA says

PARIS — Net imports and consumption of oil by the major industrial companies fell in the first quarter of 1982, due partly to more efficient use of energy and alternative fuels, the International Energy Agency said.

The IEA, which groups 21 oil consuming nations, said in a report that imports fell by 15.6 per cent to 220m tonnes from 261m in first quarter of 1981 while total consumption dropped 7 per cent to 371m from 400m tonnes.

High petroleum prices encouraged the switch from oil while low economic growth in the industrial world also aided the falls, the report said.

Stocks of crude oil and oil products held on land at the end of the first quarter totalled 430m tonnes compared with 454m at the same time last year, the IEA said.

Oil output by two IEA producers, Britain and Norway, rose by 7.4 per cent and 4.1 per cent respectively in the first quarter, it added.

Dutch survey points to Labour gains

BY WALTER ELLIS IN AMSTERDAM

THE DUTCH Labour Party appears to have swung back into favour with voters less than a month before the Netherlands' general election on September 8. This surprise development in a recent opinion poll could heat up an election campaign which, until now, has concentrated on the precise form of the expected right-wing coalition.

Results indicate that Labour could even increase its number of seats by one to 45—just one fewer than that forecast for the dominant Christian Democrats.

If this is borne out by actual votes cast, it will mean almost inevitably another protracted round of negotiations on forming a Government.

The opinion poll, carried out last Friday by Vara, the Socialist television station, also shows large gains for the Liberal Party and sharp losses for Democrats 66, the ill-defined progressive party led by Mr Jan Terlouw.

The Liberals, under the leadership of Mr Ed Nijpels, have been gaining ground steadily during the past 12 months and currently occupy a "Thatcherite" position from which they are perceived as right-wing radicals.

Until May of last year, the Liberals were in government with the Christian Democrats, only to be forced out of office by an election which curbed the strength of Labour but more than doubled the number of seats held by Democrats 66.

According to the poll, the Liberals can now expect to win 34 seats, next month—eight more than at the 1981 election.

—while Democrats 66 must be ready to lose as many as 10 seats, leaving it with only seven. While the Liberals have been pushing their stern economic line with unremitting vigour in recent weeks—judiciously sweetening the pill with references to the rights of old-age pensioners—Democrats 66 has been slowly falling apart. It is caught between its left and right-wing impulses and is clearly anxious to remain in government, sandwiched for preference between the Christian Democrats and Labour. Many of its members are teachers, social workers and academics, with a generous sprinkling of formerly disenchanted members of other parties who now seem more disenchanted by Democrats 66.

If the opinion poll is to be believed, it is the desertion of supporters from Democrats 66 which has restored something like the previous political alignment. Responses given suggest that the Christian Democrats and Labour will be fighting it out for top position, with the Liberals a strong third, and the rest led by Democrats 66, well down the field.

For the Christian Democrats the poll neither bolsters its confidence nor upsets it. To remain top party would be no mean achievement and would almost certainly mean a fourth, consecutive term as Prime Minister for Mr Dries van Agt, the party leader.

Certainly, the rebirth of the Labour Party would add to the post-election difficulties, but the Christian Democrats and the Liberals could still hope to win office, perhaps with some help from Democrats 66.

Calvo Sotelo tries to strengthen Madrid's ties with Latin America

BY OUR MADRID CORRESPONDENT

THE SPANISH Prime Minister, Sr Leopoldo Calvo Sotelo, returned to Madrid yesterday after a seven-day visit to Colombia, Ecuador, Peru and Venezuela, designed to reinforce Spain's links with Latin America.

The Madrid Government has been particularly anxious to demonstrate to Latin America that its recent entry into Nato and its commitment to the EEC, in no way diminishes Spain's Latin American calling. Indeed, the Government believes that, in the wake of the Falklands conflict, Spain can play a bigger diplomatic role as a bridge between Latin America and Europe.

It was openly critical of Britain's role in the Falklands conflict and in private was concerned by the way in which the U.S. Administration found itself obliged to come out in support of Britain.

The trip also had distinct domestic political overtones. Sr Calvo Sotelo's application for Spain to join Nato and the hurried manner in which the negotiations were pushed through was criticised by the opposition. Meanwhile, the Falklands conflict highlighted the ambivalence of many Spaniards wanting to be an integral part of Western Europe yet emotionally united with Latin America.



Sr Calvo Sotelo: four countries visited

Manuel Fraga, leader of Alianza Popular, also turned up at the ceremony. Each, clearly with an eye on an early general election this autumn, was anxious to display his Latin American credentials.

Sr Calvo Sotelo fared badly at the hands of the press when in Ecuador. He was misquoted by the local media as saying he offered to mediate between Ecuador and Peru. Thus, when he arrived in Peru he was met with an icy reception and the headline: "Calvo Sotelo offers to mediate in a non-existent dispute." Peru denies the existence of Ecuador's territorial claims.

The theme of Sr Calvo Sotelo's message throughout was to try to translate historic links and economic contacts into concrete commercial and political achievements. The four countries visited are the ones with the most democratic regimes in Latin America and the Spanish Government is trying to regain its role as a model of peaceful transition from dictatorship to democracy—an image badly dented by the abortive coup of February 1981.

At an economic level, however, the strongest links remain with those countries with the military regimes—Argentina and Chile.

Solidarity union officials leave for the West

By Our Warsaw Correspondent

A STEADY trickle of recently released officials from the suspended Solidarity union is leaving Poland after being given exit permits by the Government.

They are being accepted on humanitarian grounds by each week in countries which reacted angrily earlier this year when General Wojciech Jaruzelski, Poland's military ruler, said Solidarity officials would be given exit papers if they wished to leave.

The U.S. is the latest country to permit the entry of Solidarity officials. The Poles are being given political refugee status, but only after they have left Poland. In Warsaw, they are first given temporary visas for West Germany, where they then receive permission to enter the U.S.

An estimated 20-30 union officials are leaving Poland each week with their families for the West. Their departure has left middle-level officials who occupied union positions at the factory level. None of the higher-ranking officials belonged to Solidarity's national commission and are still interned here asked to leave.

Schmidt keeps ailing AEG-Telefunken at arm's length

Jonathan Carr assesses the reasons for Bonn's refusal to help the West German electricals giant

SO THE West German government has not been bluffing after all. All along Bonn has maintained that an ailing enterprise—even one as big as AEG-Telefunken—must not be treated like a sacred cow. This week the electricals giant applied for a court-supervised settlement with its creditors because it cannot pay its bills—and Bonn has made no 11th-hour rescue bid.

For many people the first reaction must be that Chancellor Helmut Schmidt's Social Democrat (SPD)-liberal Free Democrat (FDP) coalition has taken leave of its senses. After all, AEG is not just "any old company" but a part of German history for 99 years, whose products are in millions of West German homes. Despite its attempted shimming cure over the last few years, AEG still employs nearly 100,000 people at home and around another 20,000 abroad.

Apparently it thinks it can, or must. True, Bonn agreed a month ago to provide up to DM 600m (£40m) in state-backed guarantees to cover part of AEG's export business—provided AEG's banks put up another DM 275m as well. The banks did not meet this condition, but it now seems they will have to make much bigger financial sacrifices in the context of the settlement proceedings for which AEG has applied. The Government is thus standing by its DM 600m offer—even under the changed conditions.

A key aim of Bonn's export guarantee move had been to gain time while state-owned auditors examined in detail the company's ambitious restructuring plans, the so-called "AEG-83" strategy. If Bonn were to provide further state guarantees (beyond those specifically for exports), then it needed an auditors' report saying that "AEG-83" stood a good chance of putting the company on a sound footing.

Government condition for further guarantees remains. The company must first produce a restructuring plan which wins the auditors' blessing. That is clearly going to take time. And even if Bonn (and the federal states) do provide guarantees, this will be a far cry from fulfilment of the union demands that the state take a stake in AEG to help save jobs.

One immediate reason for Bonn's particular caution is that four years ago it put up a guarantee for a building concern, Beton und Monierbau, which collapsed all the same. The Government was criticised for being over-hasty and is clearly determined not to make the same mistake again.

But beyond that lies the Government's conviction that a company's salvation lies overwhelmingly in its own hands, and in those of its banks, and in those of its creditors. As Count Otto Lambsdorff, the FDP Economics Minister, put it: state aid distorts competition.

It tends to draw more aid after it, although that was not the original intention. It often means a bonus for mismanagement and hinders necessary structural change.

State aid, it is pointed out, would not have helped avoid the key management errors of moving too late to set up company bases abroad, or of concentrating too much on the domestic appliances side of the business, or of allowing one company chairman to be overly swayed by his predecessor who had become head of the Supervisory Board.

Despite trade union calls over the last few days for the state to step in, there are signs that the Government's attitude about AEG mismanagement is shared by many West Germans—including part of the AEG workforce. In that case it is not certain that Bonn's failure to launch a rescue operation will cost it votes. It might even gain some—at least the FDP might, whose supporters include some of those workers in medium-sized enterprises who would deplore state aid going to AEG just because it is big.

Finally, if the Government were to make an exception in AEG's case it might well find itself faced with a shower of applications for aid before long which it would find hard, logically, to turn down.

There are few signs of the long hoped-for economic upswing. The number of West German enterprises to declare themselves insolvent was up in the first half of this year by more than 50 per cent to nearly 6,000 and the outlook for the U.S. economy and interest rates—and thus for those of other Western countries—remains highly uncertain.

Sweden urged to cut spending

By William Dullforce in Stockholm

THE SWEDISH Government must continue to prune public spending energetically and establish prolonged moderation in wage increases. It also needs to find ways of ensuring that the improved profits, which companies are expected to earn next year, go to industrial rather than financial investments.

These are some of the principal recommendations in the annual review of the Swedish economy published yesterday by Organisation for Economic Co-operation and Development (OECD).

The OECD has focused on Sweden's extremely poor industrial performance over the past few years. Manufacturing output in 1981 was lower than in 1974. The growth in gross domestic product has decelerated faster than in most other OECD countries. Last year, GDP shrunk by almost 1 per cent.

The policies pursued by the non-Socialist parties after they came into power in 1976 have contributed to this weak performance, the review says. It singles out the massive subsidies to ailing industries and the increase in the budget deficit.

The deficit complicates monetary management. Its financing contributes to the persistence of inflationary expectations in the economy and restricts the funds available for industrial investment, the OECD claims.

The central Government's budget deficit reached 11.5 per cent of GDP last year and in spite of cuts totalling Skr 14.5bn (£1.37bn) on an annual basis, it is expected to remain at about 12 per cent this year and next.

In view of the very high tax level, the deficit must be tackled through further cuts in spending, the review states. It sees scope for substantial reductions in industrial and other subsidies and for "adjustments" to "certain" unnamed social security benefits.



Handwritten note: 10/10/82

# War in Lebanon raises leadership question for Begin

BY DAVID LENNON IN TEL AVIV

RECENT public differences of view between Mr Menahem Begin, the Israeli Prime Minister, and Gen Ariel Sharon, Defence Minister, about prospects for arranging a peaceful end to the siege of Beirut have again raised speculation about who in Israel is running the war in Lebanon.

It brings to mind a joke current in Israel in the early stages of the fighting: that Mr Begin was the first prisoner of war taken by Gen Sharon. This arose out of the feeling that the Defence Minister was not fully informing the Cabinet about the movements of the Israeli forces and the expanded aims of the war.

While Mr Begin was softening his position over the weekend on the terms for the withdrawal of Palestine Liberation Organisation (PLO) forces from the Lebanese capital, Gen Sharon was pouring scorn on the latest peace proposal of Mr Philip Habib, the U.S. mediator.

This was interpreted by many as indicating that Mr Begin had lost control of his ebullient Defence Minister, but this may be too simple a view of how the Israeli leader rules his Cabinet.

Mr Begin has a long tradition of delegating full responsibility to his Ministers and giving them his full backing. If he is unhappy with the way they are

conducting the affairs of their office, the Premier tends gently to chide them in private.

If this does not work, he withdraws his support from them during important Cabinet votes, creating conditions under which they either accept his viewpoint or resign.

This was the method Mr Begin employed to rid the last Cabinet of three of his harshest critics. He succeeded in forcing the resignation of Mr Ezer Weizman, the then Defence Minister, Mr Moshe Dayan, the Foreign Minister, and Mr Yigal Hurvitz, the Finance Minister. To reinforce his power within the party and Cabinet, Mr Begin has not hesitated in the past to threaten to resign if he does not get his way. This threat has proved effective, and he retains the party leadership even though he lost eight elections in a row and his party was relegated to the opposition benches for 29 years.

Some have interpreted the whole exercise as role-playing by the two leaders—Mr Begin playing the "good guy" willing to be accommodating, and Gen Sharon acting the tough one, unwilling to make any concession.

But it is more likely that each was really performing his function as he saw fit, and Mr Begin probably saw little wrong in the Defence Minister voicing reservations about the latest peace proposal.

# Baghdad agrees to move of non-aligned summit

BY STEPHANIE GRAY

IRAQ has agreed to move the site of next month's non-aligned summit from Baghdad and has suggested New Delhi as an alternative venue. It still insists, however, that Foreign Ministers should meet in the Iraqi capital as planned on September 2 and 3.

President Fidel Castro of Cuba, the present chairman, has pressed for a Foreign Ministers' meeting in Havana on September 21.

Whatever the outcome of this disagreement, the summit is now not likely to go ahead until next January.

The decision to move the meeting has been made to try to preserve the unity of the 94-nation movement, which has been split by Iran's campaign to have it moved because of the war with Iraq.

Both Iran and Iraq have been waging a diplomatic offensive in non-aligned capitals to press their respective cases.

The move represents a blow to the prestige of President Saddam Hussein of Iraq. He is due to take over the three-year chairmanship of the movement and has made extensive preparations.

# S. Africa continues Angola thrust

SOUTH AFRICAN forces continued a major thrust into Angola yesterday in an effort to cause maximum damage to the black nationalist South-West African People's Organisation (Swapo) before the conclusion of a ceasefire agreement, possibly within the next month, Bernard Simon reports from Johannesburg.

Fifteen South African airmen and paratroopers were killed during the operation earlier this week when their helicopter was shot down in Southern Angola by Swapo guerrillas.

A defence force official in Pretoria said that 314 Swapo members have been killed during the present operation. A "very small number" of South African troops was involved.

# Pretoria in 1.3m oz of gold swaps

SOUTH AFRICA has pledged over 1.3m oz of gold to foreign banks and bullion dealers in a series of "swaps" aimed at bolstering the hard currency components of the country's foreign reserves, Bernard Simon reports from Johannesburg.

As a result of the swaps, the reserve bank's gold holdings dropped from 9.03m oz at the end of June to 7.69m oz on July 31. But its foreign exchange reserves rose from R413.4m (£242m) to R713.2m.

# Australia has \$86.5m payments deficit

Australia recorded a balance of payments deficit of A\$147m (\$86.5m) in July, following five successive monthly surpluses, Michael Thompson-Neel reports from Sydney.

The main reason was a sharp fall-off in the flow of overseas funds. Net capital inflow in July was A\$439m against A\$956m in June, when seasonal tax payments were at their highest.

Yesterday, the official mid-rate of the Australian dollar was set at a record low of \$0.7778, against \$0.9809 on Tuesday. Since January, the Australian dollar has seen an informal devaluation of 9 per cent.

# Charles Smith profiles Sakata, in north-east Japan, now its showpiece plant has closed Where a shutdown does not mean disaster

WHAT happens when a company operating a big industrial plant in a medium-sized Japanese city finds that it can no longer compete with imports and decides to shut down indefinitely rather than face further losses?

The answer, at least in one recent case, would seem to be: a good deal less than when a similar disaster occurs in Europe.

In April this year Sumitomo Aluminium Industries, a subsidiary of Japan's largest aluminium rolling company, Sumitomo Light Metal, announced that it was closing for a minimum of two years a 98,000 tons per year aluminium refinery which had begun operating in 1977 in the northern Japanese city of Sakata.

The plant was the showpiece of a development programme which had been intended to transform Sakata from a rather sleepy agricultural marketing town into a centre of basic industry. Yet, four months after the announcement and three months after the closure took effect Mr Teiji Sato, Sakata's Deputy Mayor, says that the shock is beginning to wear off. One reason would seem to be that the 350 workers who were employed at the refinery have not simply been thrown on to the local labour market.

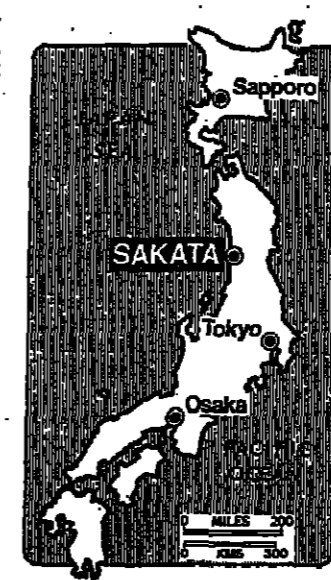
Sumitomo had lost ¥18bn

(\$404m) by the time it finally decided to mothball the Sakata refinery, at least half of it during the last six months before the closure. Despite this the company was still willing and able to start an aluminium die-casting operation in a section of the closed refinery to absorb 100 of its displaced workers.

The remaining 250 were given the opportunity to undergo re-training for jobs at Sumitomo factories in other parts of Japan, although on the condition that they would have to live apart from their families for at least one year. By early August about 150 workers had accepted the offer. Ninety others preferred to look for jobs in Sakata—or to go back to the farming villages from which many of them had come when the refinery started up in the first place.

The way Sumitomo dealt with the refinery closure, and the readiness of the majority of the workers affected by the decision to accept relocation, means the local unemployment rate in Sakata has not jumped significantly since the plant went out of business. That does not mean, however, that Sakata has been able to shrug off the consequences of the closure.

Sumitomo was paying about ¥280m worth of municipal taxes per year while the refinery was operating, or about 8 per cent of the city's revenue. The plant



and its workers were also generating about ¥500m worth of demand for local products. Small-scale bankruptcies have begun to rise since the refinery closed down although not yet to levels that could be considered abnormal by standards of Japan's north-eastern region. A more serious consequence of the Sumitomo closure is that neither the Sakata municipal authorities nor the prefectural government of Yamagata seem to have any idea what to do with the vast amount of infrastructure that had to be created

before Sakata could "invite" the refinery project in the early 1970s. The infrastructure consists of a big new port, which is still under construction, a 500-hectare expanse of reclaimed land with deep water access and a 350MW thermal power station which was built partly to supply electricity to the refinery and partly to meet other local power needs.

The overall investment cost of these projects has amounted to well over ¥150bn, partly in the form of construction costs incurred by the prefectural and central governments and partly in the form of investment by a regional private enterprise power company. Only a fraction of the total amount had to be funded by the Sakata municipality, but the city authorities are naturally not anxious to see their magnificent new port become a write-off.

At the moment the port handles about 3.5m tons of cargo per year of which 80,000 tons is made up aluminium to be processed at the Sumitomo die-cast works while 1m tons consist of crude oil for the power station. More factories will be badly needed over the next few years if the planned 10m tons of capacity is to be anywhere near fully utilised.

Apart from the ill-fated refinery project Sakata has managed to attract only one

significant new investment in the past two years: a factory which makes golf clubs, whose president relocated his plant from the outskirts of Tokyo at least partly because he was descended from a wealthy merchant family which originally made its fortune in the Sakata rice trade. The factory, Honma Golf, is flourishing but its raw materials and the finished products are shipped in and out by road. The quantities involved are too small, says a municipal planner, to justify shipment through the port.

The plight of Sakata is similar to that of other medium-sized coastal cities in Japan, which launched into ambitious basic industry development projects in the late 1960s, only to find themselves left high and dry by the two oil crises. The Sakata port area will probably never manage to attract the full complement of basic and materials-intensive industries envisaged by its planners, for the simple reason that most such industries have ceased to be viable in Japan.

In spite of this, no one in Sakata is giving up. The main ambition of the municipal government today is to persuade the central Government to put up funds for another new project which it says holds the key to the city's future prosperity. The project is to build a new airport.

# Tokyo believed to have sold \$300m as yen plunges

BY RICHARD HANSON IN TOKYO

Japanese authorities are believed to have sold about \$300m (£176m) yesterday to intervene as the Yen plunged to a 28-month low in Tokyo of ¥264 to the dollar—down nearly ¥2 from Tuesday.

The Yen's weakness, however, apparently has not prompted the authorities, for the time being, seriously to consider stronger steps to halt the slide. Unlike the 1980 currency crisis,

there are fewer worries about the impact of a "cheap" yen this time.

The lack of anxiety is partly due to the fact that nearly all major currencies have been weak against the dollar. Moreover, the weakness so far has not created any widespread damage to industry.

The oil industry is a striking exception, but other raw material importing industries,

such as paper and pulp, seem not to have been burdened overly.

The impact on prices has been minimal. While the Yen depreciated by nearly 9 per cent from the end of April to the end of July, consumer and wholesale price rises have actually slowed.

The most serious concern voiced over the Yen's decline is that authorities have been

prevented from lowering interest rates as a prop to the sluggish domestic economy.

The cheaper Yen has so far failed to unleash an unwelcome flood of exports to markets in the West which in any case remain mostly dull. On the other hand, hopes that exports will provide a boost to the economy later in the year appear to be growing thinner.

The Government therefore is

not inclined to take strong steps to boost the yen. There is speculation that the authorities will either raise short-term interest rates (on an emergency basis) or impose curbs on capital flows to counter a further rise of the dollar.

But such measures, as one senior official comments, would be pointless unless co-ordinated with steps by other nations whose currencies are weak.

# Japanese machine-tool orders suffer sharp drop

BY OUR TOKYO CORRESPONDENT

JAPAN'S powerful machine tool industry has suffered a sharp drop in orders, especially for exports, which may result in a fall in production this year of up to 30 per cent.

Faced with a deep and prolonged recession in the U.S. and

Europe, as well as poor demand at home, orders during the second quarter this year fell 18 per cent below the level of a year earlier.

In January-March, orders had fallen 4 per cent. Leading the decline in orders, were exports,

which fell 19 per cent and 40 per cent, respectively in the first and second quarters.

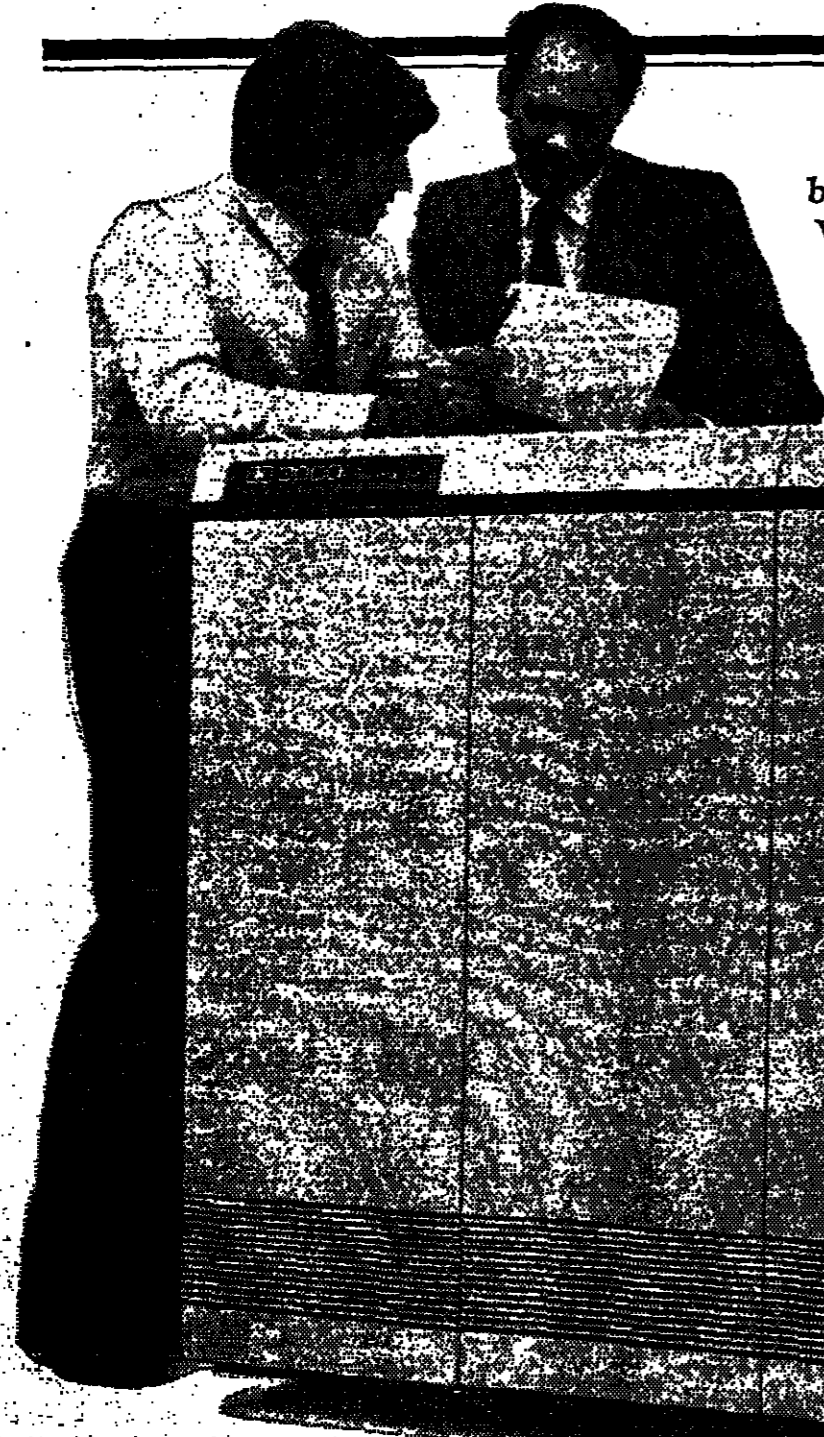
The biggest slump in orders has been in North America. Last year the Japanese machine tool makers captured as much as 50 per cent of the U.S. market for

certain sophisticated machine tools.

Overall shipments, gained 40 per cent. Shipments in April-June (which lag about six months behind orders) dropped 23 per cent.

Domestic sales in Japan have fared only slightly less worse than exports. A forecast made in March of a 7 to 10 per cent drop in total production this year has already been abandoned. The industry now expects a cutback of 20 to 30 per cent.

# HP's Big News. Small News. And No News.



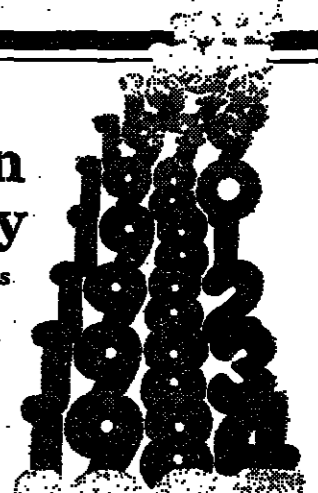
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AMERICAN NEWS

Reagan presses on with tax increase campaign

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan yesterday pressed on with his increasingly strident campaign to push almost \$100bn (£59bn) worth of tax increases through Congress...

like holding your nose and embracing a pig," he said. Mr Reagan has belatedly mustered a great deal of support in his campaign to push through the Bill...

services, for instance — accounted for less than one-fifth of the total. "Would you rather reduce deficits and interest rates by raising revenues from those who are not now paying their fair share...

Support for Cuban radio plan

The U.S. House of Representatives has approved President Reagan's plan for a radio station that would broadcast news and entertainment programmes to Cuba...

French confirm lifting of Argentine arms embargo

BY DAVID WHITE IN PARIS

THE FRENCH External Relations Ministry confirmed on Tuesday that the embargo on arms supplies to Argentina had been lifted but denied that any further weapons had already been sent.

Argentine invaded the Falklands. Five of the aircraft, ordered by Argentina in 1979 under the previous French administration, had already been delivered. Andrew Whitley in London adds: The timing of the French decision has clearly taken Whitehall by surprise.

Approval of AT & T settlement withheld

By Paul Betts in New York

THE U.S. Federal Judge, presiding over the historic American Telephone and Telegraph anti-trust case, refused yesterday to approve the landmark settlement between the U.S. Justice Department and AT & T.

Terry Byland on why Weirton, West Virginia, must buy its factory. Stark choice for U.S. steel town

IT RAINED heavily in the city of Weirton, West Virginia, last Monday afternoon, August 2. That was a pity because August 2 is Weirton Steel Day, when the company closes the plant for the day and the rest of the city follows suit.



Can Weirton make it? National Steel's plant dominates the town.

There was a particularly bitter edge to this year's holiday, however, and it had nothing to do with the weather. For the people of Weirton are facing the most serious crisis since Mr Ernest T. Weir founded the steelworks and the town at the beginning of this century.

When the steel plant closes down, then it will spell doom for the city. At peak, only a few years ago, Weirton Steel employed about 12,000 people from a total population of only 23,371 which includes a large number of company pensioners and the usual number of children who would have expected, in the fullness of time, to follow their fathers and their grandfathers into the steelworks.

When the announcement came, employment at the plant was already down to 8,900 as the recession in the industry took its toll. But the mill, with sales of more than \$1bn (£571m) last year, is by general agreement, one of the most modern plants in the industry. Certainly no one in Weirton ever imagined that the town could be left without its major employer.

ful picture. An unemployed worker gets benefit of \$211 (£129) weekly for 39 weeks. Then he simply drops off the register and is no longer counted in the statistics. And since the Weirton layoffs began, building up in December last year, an increasing number of workers will be "dropping off" the register in the near future.

This feeling of impending, rather than actual, doom seems to be gathering over the town. A local estate agent showed me his bulging file of houses for sale. High interest rates had already unshipping the U.S. housing market, but no fall in rates could help Weirton's estate agents now.

The rest of the Pittsburgh steel manufacturing area is in no better shape than Weirton. And the Sunbelt States, which beckoned so seductively a year ago, are now urging the Eastern industrial cities to discourage their unemployed from coming.

Even the union which represents the Weirton workers is a home-grown product. The Independent Steelworkers Union (ISU) only has members in the Weirton plant. It has never affiliated either to the AFL-CIO, the national trade union structure, or to the United Steelworkers union which represents workers in the rest of the industry.

Alert in Honduras

Honduras placed it armed forces on full alert "until further notice," a military spokesman said, AP reports from Honduras.

IMF loan for Haiti

The International Monetary Fund approved \$437.6m (£22.17m) loan to Haiti to support the country's economic adjustment efforts, AP-DJ reports from Washington.

WORLD TRADE NEWS

European steel talks continue as U.S. rules on dumping

BY GILES MERRITT IN BRUSSELS AND REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE EUROPEAN Commission is pressing ahead with measures enabling the EEC steel industry to honour its agreement with the U.S. which provides for limits on exports of 11 European steel producers in return for the U.S. industry withdrawing its anti-dumping and countervailing duty petitions.

be undertaken before a final ruling, which could lead to the imposition of punitive duties. If such duties were imposed, they would be subsumed, in most cases, into existing countervailing duties.

EEC in Spanish investigation

By Our Brussels Correspondent

THE EEC has launched a complex anti-subsidies and anti-dumping investigation into Spanish steel exports that are claimed to be surging into the West German market and causing material injury.

CONFERENCE SCOUT FROM OTTAWA

Canadian footwear quotas prompt action by EEC

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

THE EEC will seek compensation from Canada for the re-introduction by the Ottawa Government last month of quotas on the import of leather footwear.

will be difficult for the EEC to work out a common line because restrictions placed on Canadian sales by the EEC would inevitably affect other commercial interests.

The Canadian Government, citing Article 19 of the General Agreement on Tariffs and Trade (GATT) has placed a global quota of 3.4m pairs for the period until the end of November this year. The quota is 11.5m pairs for the year to November 1983, with a three per cent increase for the following year.

point out, is designed to afford protection against surges of imports which damage the domestic industry. But the use of Article 19 has traditionally given affected suppliers the right to compensation.

strengthening their position in the market after three years of quotas that lasted until the end of 1980. British leather footwear exports in the first five months of this year came to 140,000 pairs, compared with 91,000 pairs in the same period of 1980, the final year for the first set of quotas.

Brazil ship order for UK

BY ANDREW FISHER, SHIPPING CORRESPONDENT

A UK shipbuilding export order for Brazil worth about \$40m is expected to be announced shortly by British Shipbuilders, the state-owned group.

Loan for Carajas agreed

BY ANDREW WHITLEY

THE WORLD BANK has agreed to lend over \$300m (£166m) to the Carajas iron ore project — the largest minerals development project in the world — in the Brazilian Amazon.

Ericsson wins Malaysian deal

By William Dulfiorre in Stockholm

ERICSSON, the Swedish telecommunications group, has secured a contract valued at about \$200m (£117m) to supply Malaysia with its computerised AXE public telephone exchanges.

Table with 4 columns: Country, Company, Product, Amount by which EEC suppliers' U.S. selling price is lower than in other markets. Rows include Belgium, France, West Germany, Italy, UK, and Darlington & Simpson.

Pipeline contract

A Saudi-Dutch joint venture has won a contract worth about \$44m to build a pipeline from the Abu Dhabi desertization plant on the Red Sea to Makkah and Taif, Saudi Press Agency reports from Riyadh.

Call for greater discipline to halt protectionism

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

MEASURES OF protection favoured by industrialised countries, like quotas, voluntary export restraint arrangements with supplies and orderly marketing agreements, should be brought under closer international discipline, according to a group of Commonwealth trade experts.

Call for greater discipline to halt protectionism

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

The first step, according to the report, is to address the unfinished business of the 1970s-Tokyo Round multilateral trade negotiations. This inevitably involves definition of the rights and obligations controlling protective action.

Call for greater discipline to halt protectionism

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

of principle lies the belief that the trading system will not be secure without a safeguards system which works. The alternative is uncontrolled proliferation of protection, often unpublicised. Selectivity might be a price worth paying.

export limitation pact, hampered out after months of negotiations between the U.S. and the EEC, came as the U.S. Commerce Department issued a preliminary ruling that five EEC countries and Romania dumped steel on the U.S. market.

U.S. market. The Commission wants the EEC to be in a position to implement its terms on the scheduled October 1 start-up date. U.S. Commerce Department officials said the agreement was in a state of suspended animation and could be revived only if the U.S. industry changed its mind.

Broad proposals about how this might be done are contained in 47 recommendations published yesterday in a report directed at the ministerial meeting of the General Agreement on Tariffs and Trade (GATT) planned for next November in Geneva.

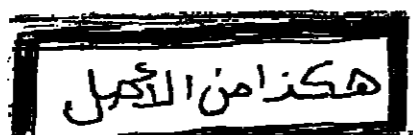
ment at their meeting in Melbourne last October. The main aim of the experts was to fashion ways of halting the drift towards protectionism which, in recent years, has been largely manifest in the spread of non-tariff measures that threaten the GATT system.

This means, as Sir Alec Cairncross, chairman of the group of experts, made clear yesterday, a return to the principles of multilateralism and non-discrimination in trading relations. "There is need to return to a set of agreed rules—a recognised ordered framework for the growth of international trade."

The preparatory discussion so far have suggested that, in the midst of the deepening hostility between the U.S. and the EEC, there is scant desire to take steps which would cloak commitments of faith in the value of the system with decisions to make it work better.

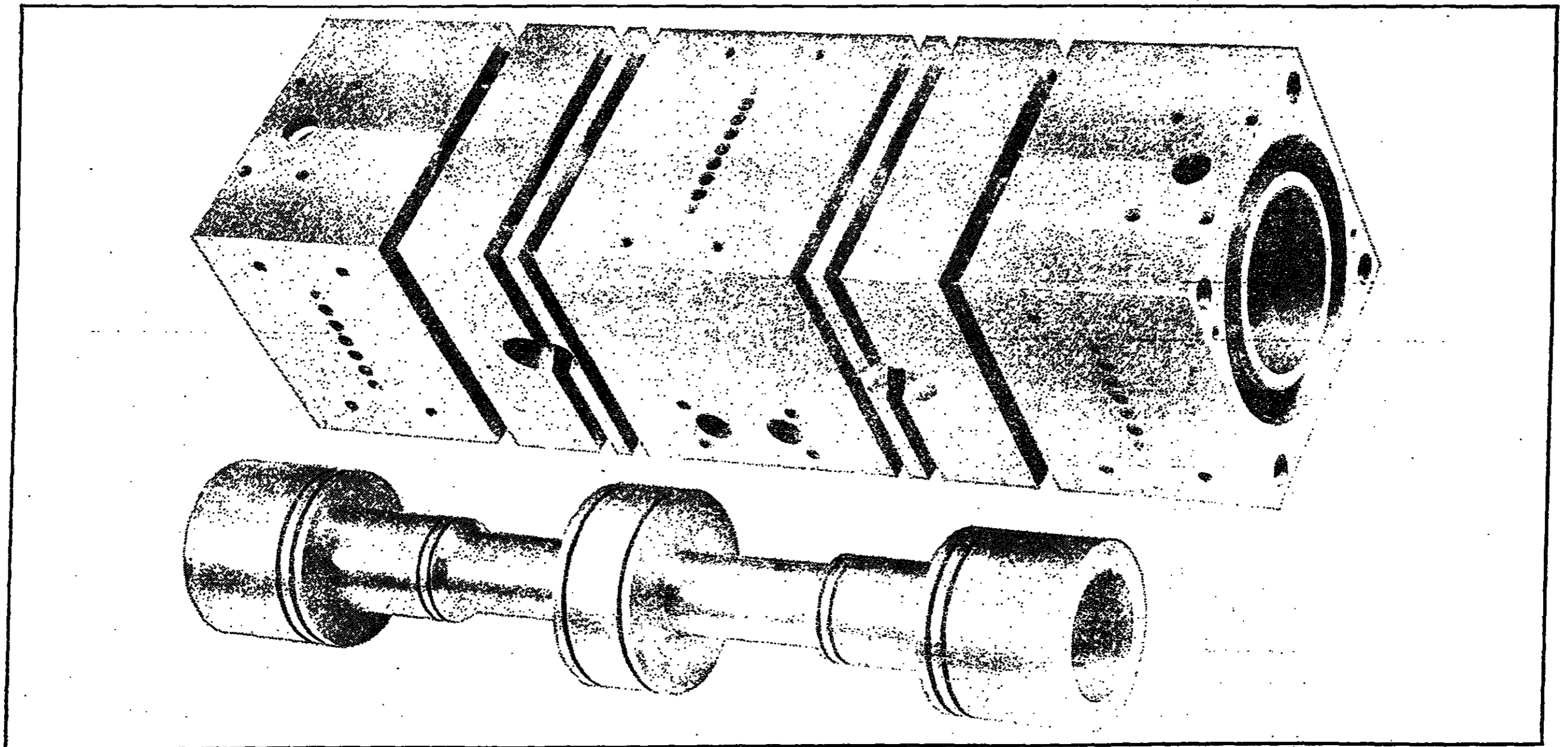
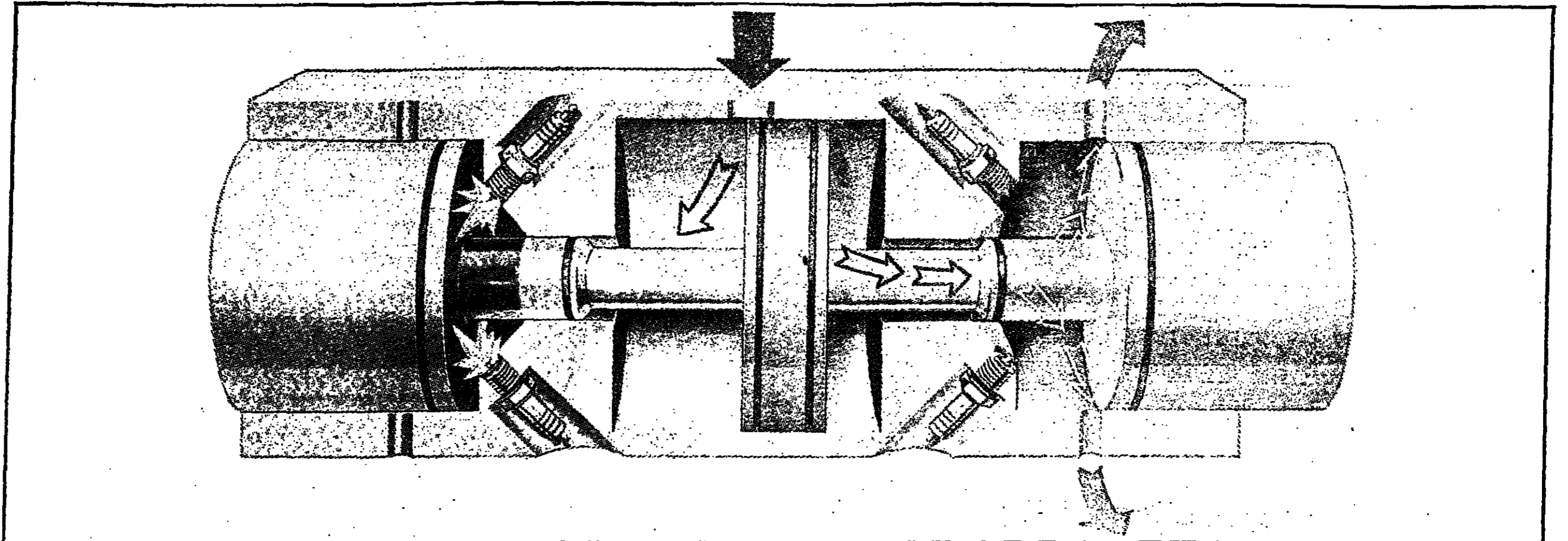
visions in place, it would be easier to envisage the phasing-out of the Multi-Fibre Arrangement, which restricts developing country textile sales in the industrialised world. This could be done, the report says, first by increasing quotas for larger suppliers eliminating them for small suppliers and new entrants to the market, followed by abolition of the quotas—even if this meant higher tariffs for a time. But then the tariffs should be reduced to near the average for all manufactured goods.

"Protectionism, Threat to International Order: The Impact on Developing Countries," report by a group of experts (Sir Alec Cairncross, chairman); Commonwealth Secretariat, London, 1982; £2.



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UK NEWS

Shore outlines 'urgent' plan to aid industry

BY PETER RIDDELL, POLITICAL EDITOR

URGENT MEASURES to help industry and boost demand were proposed by Mr Peter Shore, the Shadow Chancellor, yesterday, as part of Labour's campaign to intensify pressure on the Government following the recent gloomy forecasts. He said in a letter to Sir Geoffrey Howe, the Chancellor, that official hopes at the time of the March budget of a modest economic upturn had been dashed. Consequently he recommended: Abolition of the National Insurance surcharge.

A "hard" cut in interest rates, partly to help achieve a realistic exchange rate for the pound. Increased expenditure on construction and buildings, including roads, sewers, houses and hospitals. Increases in social benefits, starting with the unemployed, but including children and pensioners. Proposals for local government expenditure to keep rates down, coupled with ending the raising of empty business and industrial premises. Mr Shore emphasised the common ground between his proposals and those of the Confederation of British Industry after his meeting with Sir Terence Beckett, CBI director-general, on Tuesday to discuss the industrial outlook. He went further, however, saying there is a serious deficiency of demand in the economy, reflected in the lack of orders. He urged that the Government "must create powerful currents of demand." Concluding, Mr Shore said he knew "how hard it is to admit you have got it wrong. But I am sure, faced with such urgent needs, you can rise above personal considerations."

The Association of British Chambers of Commerce said there was increasing disquiet among its members, especially in the cities, about discussion of the economy becoming a question of party political loyalty rather than focusing on the facts. Sir Terence said the CBI was not political. It was willing to discuss the economy with all kinds of groups. He emphasised that the CBI differed fundamentally from Labour's proposals to expand demand.

Highest ever receipts for building societies

By Michael Cassell

THE building societies had their best ever month for net receipts in July. The figures due tomorrow from the Building Societies Association will show that the societies took in well over £600m from investors during the month, and the total may have approached £700m. In June, receipts reached £529m. The previous monthly net receipts record of £615m was established in October 1977, and only rarely since has the £500m mark been breached. The societies' spectacular success was unexpected. It came against a background of falling interest rates among their competitors and an apparent determination on the part of investors to make the best of the terms on offer while they lasted. In addition, July is a traditionally buoyant month for savings.

Attack on air ticket discounting hardens

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

CLEANING up the spate of airline "ticket discounting"—the sale of tickets at substantially less than official rates—is likely to be a long and difficult task, lasting at least two years. The Fare Deal Monitoring Group set up by the International Air Transport Association some time ago, is already discussing clean-up operations with airline groups throughout the world. It intends to widen its net as fast as it can because of the urgency of the problem. Mr Ian Ritchie, chairman of the group and external affairs director of British Caledonian Airways, says revenues lost to the airlines through discounting amount to about \$1bn (£588.25m) a year. This is the difference between what the airlines get for discounted tickets and what they would get if those tickets were sold at official rates. He says this figure may be conservative. The actual loss of revenues might be as much as double the estimate. The monitoring group is attacking on three fronts. The first is by identifying routes where discounting is rife and seeking to control it by applying persuasion at both airline and diplomatic level through local Boards of Airline Representatives. These are informal groups of airlines which exist worldwide in most major centres to discuss matters of mutual concern. These BARS as they are known, although not specifically set up to deal with discounting, offer a convenient forum in which to discuss this problem. They also have the advantage of often including both Iata and non-Iata airlines. The second form of attack is to encourage governments and airlines either to publicise more widely the cheap official fares they already offer in many cases or to introduce such fares as soon as they can. By offering official cut-price rates, it is believed discounting can be reduced substantially. The third approach is to encourage airlines to reduce the number of seats on specific routes. The monitoring group believes that much of the upsurge in discounting comes from overcapacity. It is because of some airlines' near-desperate desire to reduce the number of empty seats that tickets are off-loaded on to the bucket shop—the retailers of discounted tickets. Mr Ritchie believes the urgency of the group's task stems not only from the growing scale of discounting but because it is threatening the credibility of the established licensed travel agency structure in the world airline industry. Travel agents authorised by individual airlines and Iata to sell their tickets at full official rates are finding it increasingly difficult to combat the growth of bucket shops. The monitoring group's task is made harder because many airlines within Iata often have to sell tickets at a discount to get any traffic in some markets where non-Iata airlines operate. Many of the latter regard discounting as a very life and are not bound by the rules hampering Iata airlines. The monitoring group can only work, however, by persuasion. It has no power to impose sanctions against airlines which discount. For this reason the work is likely to prove a slow and uphill task.

Welsh voters set for first by-election in 10 years

Robin Reeves surveys the beauty of Gower and its backdrop of industrial depression

THE Gower peninsula does not look like typical Welsh socialist territory. Its sandy bays, picturesque villages and prosperous agriculture gained its designation as Britain's first Area of Outstanding Natural Beauty.

It attracts thousands of tourists in summer, but for the rest of the year "The Gower" is Swansea's equivalent of the stockbroker belt. However, the Gower Parliamentary constituency, where Labour will defend a majority of 10,641 in the first by-election in Wales for 10 years, extends a great deal further. The boundary runs deep inland to encircle the industrial hinterland of West Glamorgan.

It takes in Gorseinon and some outer suburbs, and runs up along the Swansea valley to include the industrial communities of Clydach, Pontardawe and part of Ystalyfera. It then turns west to embrace Lower Brynaman and Gwaun-cae-Gurwen and south east, taking in most of Pontardulais, and Loughor and Gwerton. The majority of the Gower's 58,000 electors live in these industrial communities. Coal mining is still a traditional activity in the north where Welsh is spoken widely.

The high concentration of managerial and professional people living in the south makes it one of the most solidly conservative corners of Wales. A patchwork of long-established industrial communities lies in between. This grew up in the 18th and 19th centuries around iron and steel, tinplate and non-ferrous metals. Swansea is the centre of the world's non-ferrous metals industry for much of the 19th century.

Electoral activity is already underway, although the by-election date has still to be set. September 18 is the current favourite.

Mr Roy Jenkins, Mrs Shirley Williams and Mr Bill Rodgers have been down already. Gwynoro Jones, the SDP candidate, is a former Labour MP for neighbouring Carmarthen and a seasoned campaigner. He switched to the SDP after failing to win the Labour nomination for Gower.

The Labour campaign began with a meeting addressed by Mr James Callaghan and Mr

Alec Jones, the shadow Welsh Secretary. Mr Gareth Wardell, 37, is the Labour candidate. He is a lecturer at teacher training college.

The Conservatives have completed their preparations and regard the seat as winnable. Mr Trevor Llewellyn, a 35-year-old accountant is their candidate. He pushed up the Tory share of the vote from 20 per cent to 30 per cent in Gower at the last general election. Meanwhile Plaid Cymru has carried out a first canvass. Mr Ieuan Owen, the Plaid candidate although an office manager in the family contracting business, is on the left of the party. He advocates Plaid's new decentralist socialist stance. Management of the economy seems certain to dominate the campaign. Gower has traditionally been prosperous for a long time as industrial Wales goes. Its tinplate industry survived import barriers imposed in the 1890s to protect the fledgling American market, by switching to zinc galvanising. Gower came through the

1930s because of greater diversification of its economy and because its coalfield has the best anthracite in Western Europe. Demand for Welsh anthracite is still strong.

There are two NCB pits within the constituency and several just outside. Record financial losses by the South Wales coalfield in the past year could revive pits closures and redundancy fears. Many jobs have gone in other industries in the past three years. Unemployment has soared since June 1979 from 7.1 per cent or 7,600 to 15.6 per cent or 16,800. Male unemployment is 19 per cent with more than a quarter below the age of 25.

Major employers in and around the constituency include Alcoa, BP, BSC, British Aluminium, Courtaulds, Dupont, Ford, ICI, Inco Europe, Metal Box and Mettoy. All have either shed hundreds of jobs, in some cases thousands, or closed their local plant. There have been no new growth industries. The 3M's UK video manufac-

turing plant at Gorseinon is spending £11m to increase capacity and meet surging demand. The nearby Swansea enterprise zone has started well. But the by-election seems destined to take place amid fears of worse economic news to come.

BSC's Velindre tinplate works, which lies at the heart of the constituency, cut its workforce last year from 2,243 to 666. Remaining staff will take an extra week's holiday in September because of mounting stocks. Velindre is likely to close if BSC cuts tinplate capacity further. Gower is a seat which Labour should hold comfortably in such circumstances. It has been solidly Labour since 1906.

However, the Welsh electorate has shown itself ready in the past 20 years to abandon Labour loyalty at by-elections. Plaid Cymru rocked some substantial Labour majorities in the 1960s and 1970s and the SDP has made a big impact in local by-elections in other parts of Wales.

The outcome of this contest could decide the direction of Welsh politics for the rest of the decade.

Dan-Air given three-year Gatwick to Zurich trial

BY OUR AEROSPACE CORRESPONDENT

DAN-AIR, the independent airline, is to be allowed to fly between Gatwick and Zurich for three years, to assess its performance in competition with other major airlines on such a major international route. The Gatwick-Zurich route was originally awarded to the now-defunct Laker Airways early last year, but the Civil Aviation Authority, after long consideration, has decided to award it to Dan-Air.

Dan-Air won the route against competition from British Airways and British Caledonia. The authority says that in considering the rival bids, it had to decide whether the benefits continuing to add to British Caledonia's network might not be outweighed by the advantages of licensing an alternative. The traffic rights on the route from the Swiss Government are already available. Dan-Air serves Bern from Gatwick. The airline will start flights to Zurich on April 1, using One Eleven or similar jets once daily each way. British Caledonian Airways estimates that it lost about £5m as a result of the effects of the Falkland Islands war on its South American services. The airline stopped flying to Buenos Aires soon after the Falkland Islands crisis began.

Engineering sales pick-up 'will be only short-term'

BY MARK WEBSTER

BRITAIN'S hard-pressed mechanical engineering sector is offered only the merest glimmer of comfort in the latest survey of short-term trends published by the Engineering Employers Federation today. The federation foresees a slight pick-up in sales for the mechanical engineering industry next year, but says this could be followed by a further cyclical decline in 1984 or 1985. This gloomy view comes on top of the Confederation of British Industry's own report out earlier this month. Both bodies agree that business confidence remains weak throughout industry. The EEF's slender ray of hope is that next year will see mechanical engineering sales rise some 3 per cent after staying at their 1981 level throughout this year. Even so, its report says, output would still be 12 per cent below the 1979 level by the beginning of 1984 and would then be followed by a further decline. The federation warns that the combination of weak business confidence and the high cost of finance in relation to potential returns means that investment is bound to be low. Nonetheless, it predicts that manufacturing investment will probably begin to pick up soon, having gone down for the past two years, and will prove a vital ally for home market sales. These sales are expected to increase in volume by about 2 per cent in 1981-82 and some 5 per cent in 1982-83. The picture for exports is much more gloomy with a decrease in volume of about 3 per cent forecast in 1981-82 and no change at all during the subsequent year.

Mechanical Engineering Short Term Trends, available on subscription only £8 to EEF members; £19 to non-members.

Money supply within target

By Max Wilkinson, Services Correspondent

THE RATE of increase in bank lending to the private sector remained at over £1bn a month in July according to the latest estimates. Government borrowing seemed well under control, however, and as a result of heavy funding by the authorities the growth of the money supply in the six months since February is comfortably within the official target range.

The latest figures from the London clearing banks show that lending to the private sector rose by £2,585bn in the five weeks to mid-July. A large part of this increase reflected quarterly interest charges and other seasonal factors.

It is estimated that the underlying increase for the clearing banks' lending was about £1.2bn, which suggests an increase of perhaps £1.3bn to £1.4bn for the banking sector as a whole during the period. This compares with a seasonally adjusted increase of about £1bn in the banking month of June and of £1.3bn in May. In the 12 months to mid-June, bank lending to the private sector rose at an average rate of about £890m a month.

As government borrowing has been on or below its predicted path while a vigorous funding effort has been maintained, all the measures of the money supply have shown relatively slow growth. Sterling M3, the broad measure of money and formerly the Government's focus for monetary policy, has grown at an annualised rate of 10 per cent since February.

This compares with a target of an annual growth of between 8 and 10 per cent for the money supply.

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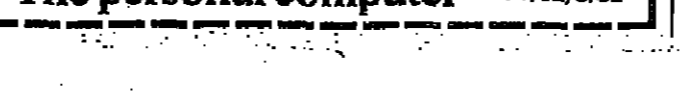
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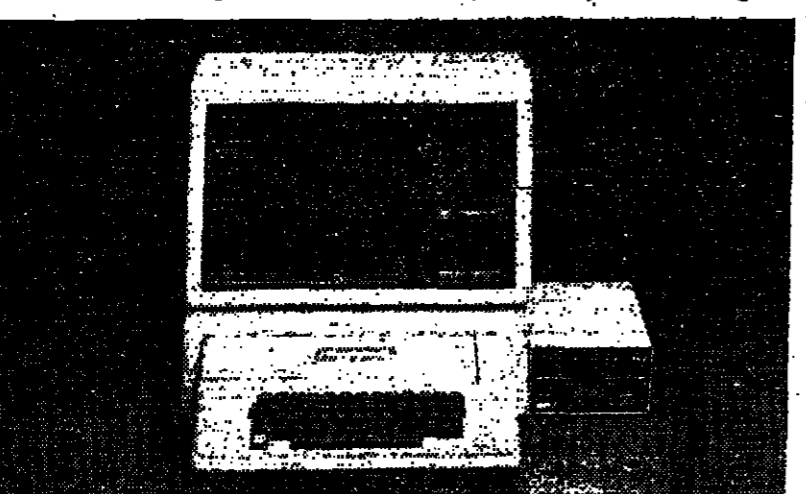
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# General Motors to close two plants

By KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

GENERAL MOTORS, the world's largest vehicles group, is to close two plants with the loss of 560 jobs. The Detroit Diesel Allison (DDA) facility at Peterhead, Scotland, producing heavy duty vehicle transmissions, will close in November with 350 job losses. The DDA diesel engine assembly plant at Wellingborough, Northants, will be closed next March. It employs 250. Of these about 40 marketing, sales and distribution and service staff will be kept on. GM blamed the closures on continuing worldwide decline in demand for heavy duty diesel engines and transmissions. The group said the Peterhead plant suffered a net loss of £2.6m in the first half of this year. The Wellingborough operations showed a small trading profit, according to internal accounts. This, however, was because it also handles the import and sales of built-up engines from the U.S. After taking into account the investment involved and the interest charges the assembly operations at Wellingborough, using mainly components im-

# Tender rules 'abused by council'

Financial Times Reporter

THAMESDOWN Borough Council has until Friday next week to answer charges that it has abused tendering regulations to favour its direct labour organisation. If the claims are proved, members of the Swindon-based Labour-controlled authority could be surcharged. A letter from the Environment Department to Mr David Keot, Thamesdown's chief executive, says it has received complaints about the council's conduct over a £250,000 roads and sewers contract for Swindon. The council received competitive tenders from five private companies and these were allegedly substantially lower than those of the council's direct labour organisation. The council allowed its workforce to resubmit a lower tender which was subsequently accepted. Other contractors were given no opportunity to tender. The Environment Department letter says that the charges amount to an allegation that the council was trying to thwart the law. "The Secretary of State has received representations that he should use his powers to conduct a special audit of the accounts of your authority. The Secretary of State thinks it is only right to invite your authority to comment on the allegations that have been made."

# Helping the over-forties cope without jobs

Arthur Smith reports on the work of the Job Change Project in Birmingham

THE Job Change Project, set up less than two years ago to help people aged over 40 facing unemployment perhaps for the first time, has already changed its emphasis. "In the early days we used to guide people on where to look for jobs, how to make the application and handle an interview. That is no longer profitable. Around 90 per cent of the people who come through our doors won't get another job in their lifetime and they recognise that fact," says Mr Willy Moore, project director. Job Change now has 1,200 unemployed on its books. Around 40 per cent are former executives. Mr Moore, an ebullient psychology lecturer seconded from Birmingham Polytechnic, operates from the Birmingham Settlement's rambling buildings in an industrial quarter close to the city centre. The informality is set by notices on the wall such as: "Nostalgia is remembering 2m unemployed." The project is a joint venture by the Polytechnic and the Birmingham Settlement, a local charity, and funded through the inner-city partnership programme. Unemployed people who come to the settlement are encouraged to develop new products and business ideas and to find ways in which their skills can be used perhaps in voluntary service. However, Mr Moore says the unemployed are caught in a trap when they try to get small businesses off the ground.

"There is an awful lot talked about risk capital and new venture but if you are unemployed there is no way you will get support from a bank or finance house." He claims that members of the project currently have at least six viable schemes that would create 18 jobs and show a profit. Each is held up for the lack of around £2,000. "The only way I can get action is to dip into my own pocket," he says. He and a colleague had put up £1,000 each to enable four people to establish a specialist hairdressing business. He was borrowing another £2,000 from his own bank to help finance a scheme to assemble specialist cars from kits. From his experience of the unemployed Mr Moore maintains that big redundancy payouts are a myth. "For all the companies who pay above the state minimum there are many small firms which go out of business and the workers count themselves lucky to pick up their last week's pay." Mr Moore says executives tend to get worse treatment. "For many it is a question of turning up on a Monday morning to find their office cleared and their belongings in a cardboard box in the corridor. "I even had one executive who was invited out to lunch by his boss at a hotel 20 miles away. After the meal he was

told he was dismissed and had to hand over the key to the company car and make his own way home." The pattern of behaviour by executives is predictable, Mr Moore says. "After the initial shock they are inevitably confident—I will be OK. With my experience and qualifications I

for a job; the state to provide benefits; their creditors; and their building society." The experience can lead to total apathy and withdrawal. Strains are placed on the family. The wife usually tries too hard to give support and encouragement and is seen as nagging and aggressive. "We get people who come in here five days a week just to escape from the home." Another factor is embarrassment and shame. "We had one chap whose wife didn't want the neighbours to know he was out of work. She used to wave him off with his briefcase at the gate as normal. He used to come here to pass the time." The real crunch for executives is when they have to apply for social security benefits, says Mr Moore. The need might come from the outset as a supplement to basic unemployment pay but it certainly comes when unemployment benefit expires after 12 months. "This is a means tested payment. They have to produce bank books, details of investment and insurance policies. They are excluded from benefit if they have savings of more than £2,000." The other major pressure on managers is to sell their house in a depressed property market. "Executives usually have a big mortgage and new mortgages are hardly likely to be offered to the unemployed. Therefore, to move may involve plummeting perhaps 10 different social levels. The highly paid executive is trapped and he knows it."

# Corby plan backer loses debt case

Financial Times Reporter

THE LEISURE consultant behind a £100m project to bring Mickey Mouse to Northamptonshire stands to lose nearly all his possessions after a county court ruling in Sheffield. Company director Mr Eric Vawser earlier this week announced plans to create a Disneyland-style leisure complex in the steel town of Corby. But a Sheffield judge has ordered that Mr Vawser's personal and business belongings, including a T-registered Rover car, be auctioned to pay off a £4,000 debt. The matter arose in 1980 when SPC Patterns of Sheffield supplied steel parts worth £4,000 to an unlimited company called Technical Marking Systems. The man behind this company was Mr Eric Vawser, the plaintiff's claimant. The court heard that Mr Vawser's case had been lost by default when neither he nor his former solicitor had turned up at an earlier hearing. The previous solicitor had been released from the action because he had not been paid by his client and Mr Vawser was in Spain on business at the time of the hearing. Judge Cotton dismissed Mr Vawser's appeal for a retrial and awarded costs against him. Mr Vawser is a former chairman of Penistone Conservative Association.

# Talbot workers at Stoke put on two-day week

By ARTHUR SMITH, MIDLANDS CORRESPONDENT

FAILURE by Iran to sign new letters of credit to finance the export of car kits from Talbot UK has increased short-time working at its Coventry factory. Talbot told the 2,400 employees who returned to the Stoke engine plant in Coventry from holiday this week that they must cut back from working three to two days a week. Talbot, the UK subsidiary of Peugeot of France, has emphasised that it will not resume full production for Iran until payment has been received for stocks held for export at Newport Docks, South Wales. The company announced in May an agreement for the export of car kits worth £150m a year to Iran—Britain's largest deal with the country. Union leaders are concerned that only one ship with about

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# More than 20 parties contact Viners receivers

By JAMES McDONALD

INTEREST in Viners—the Sheffield cutlery manufacturer put into receivership last month by Midland Bank—has been expressed by more than 20 parties "both from the UK and abroad." The joint receivers and managers said. Each of the parties has been sent a prospectus describing the company. They have been asked to submit their offers by August 20. "The receivers have had discussions with various people and they hope to have several offers to consider by the 20th of this month," said a statement issued by Mr Peter Phillips and Geoffrey Martin, the joint receivers and managers. The 250 Viners staff employed in Sheffield were given a program report on the company's affairs by Mr Martin when they returned to work on Monday after their annual holiday. They were told there are to be no redundancies for the present.

# Williams and Glyn's cuts mortgage rate to 12 1/4%

By OUR BANKING CORRESPONDENT

WILLIAMS & GLYN'S, the fifth biggest English clearing bank, has cut its mortgage rate by one and a half percentage points to 12 1/4 per cent. It has also followed National Westminster Bank's lead and reduced its personal loan rates. The reduction in Williams & Glyn's mortgage rate brings the bank into line with Lloyds Bank and Barclays Bank. The new annual percentage rate is 12.8 per cent and the cost of borrowing per £1,000 over

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Cedar Holdings	12%
Charterhouse Japhet	11 1/2%
Chouartons	12 1/2%
Citibank Savings	11 1/2%
Clydesdale Bank	11 1/2%
C. E. Coates	12 1/2%
Comm. Bk. of N. East	11 1/2%
Consolidated Credits	11 1/2%
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Corinthian Secs.	11 1/2%
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Hill Samuel	11 1/2%
C. Hoare & Co.	11 1/2%
Hongkong & Shanghai	11 1/2%
Kingsnorth Trust Ltd.	13%
Knowsley & Co. Ltd.	12%
Lloyds Bank	11 1/2%
Mallinhal Limited	11 1/2%
Edwards & Carter	11 1/2%
Midland Bank	11 1/2%
Samuel Montagu	11 1/2%
Morgan Grenfell	11 1/2%
National Westminster	11 1/2%
Norwich General Trust	11 1/2%
P. S. Refson & Co.	11 1/2%
Roxburgh Guarantee	12%
Stavensburgh Bank	11 1/2%
Standard Chartered	11 1/2%
Trade Dev. Bank	11 1/2%
Trustee Savings Bank	11 1/2%
T.C.B.	11 1/2%
United Bank of Kuwait	11 1/2%
Volkas Int'l. Ltd.	11 1/2%
Whiteaway Laidlaw	12%
Williams & Glyn's	11 1/2%
Wintrust Secs. Ltd.	11 1/2%
Yorkshire Bank	11 1/2%
Members of the Accepting Houses Committee:	
7-day deposits 8.5%, 1 month 8.75%, Short term 28,000/12 month 11.1%	
7-day deposits on sums of: under £10,000 8%, £10,000 up to £50,000 9%, £50,000 and over 9 1/2%	
Call deposits £1,000 and over 8 1/2%	
21-day deposits over £1,000 9 1/2%	
Mortgage base rate.	

UK NEWS

Cold comfort for birds where life and death are part of the corporate plan



Mark Meredith visits a Scottish grouse moor run on modern business lines

Two grouse shooters admire part of the catch on a Perthshire moor while their dog looks ready for some more action.

PERHAPS it is some comfort to the 8,000 grouse nesting beneath the heather on a Scottish border farm, that life and death are part of the corporate plan. Running a moor in a businesslike way has raised more than a few eyebrows. Not the done thing, some would say for this sport of the rich, the titled and the recipients of company perks. But Malcolm Borthwick believes sound management is the way to survive in a market reduced by neglect and inefficiency on estates, and considering the impact which the vagaries of nature may have on grouse stocks. A two-and-a-half-year spell in the U.S. won Mr Borthwick fully over to the management ethic. Today on Raeshaw, his farm with three moors, a rotating five-year plan is in operation. There is a budget, unheard of on most moors, and a pricing structure for grouse. He talks in terms of cost centres and cash flow as well as repairs to fencing and improvements to gun butts: of input and output as well as beaters and covies. It is serious business with a turnover of £150,000 expected this year for the estate in the Lammermuir hills, south-east of Edinburgh. His fluency in management practice at first sounds a bit incongruous in the rural setting of the moor, especially when applied to the habits of this wild and unpredictable bird, the grouse. But then the corporate thinking is well camouflaged behind the socky, bucolic, 44-year-old presence of Mr Borthwick, clad in plus-fours, a well worn brown visella shirt and with a silver whistle round his neck to call out the dogs. In the marketable opulence of Raeshaw House lounge with deep sofas, tasteful paintings on the wall and a welcoming fireplace, beside which guests sniff brandies after a day's shoot, the anti-romantic statistics and calculators have been hidden. The visitor also gets the impression that the seminal notion of an Institute of advanced moor management might also be in the Laird's mind. Were Mr Borthwick one day to write a textbook on the new frontiers of grouseconomics based on his experience in turning around the run-down estate inherited from his uncle in 1978, these might be some of the key chapters. Gun income projection: Returns are highest at the start of the season and then decline as the season wears on and the grouse wear out. The first valley of guests arriving after the 19th pay between £2,250 and £3,500 per week on some better moors. In the third week the guests may be paying about £325 less a week. Fees are set on a price for the anticipated brace shot. Formula: bumper profit for Mr Borthwick with income from a parallel farm activity—sheep and some cows—spread out over the year to distribute the load of bank borrowings. Cost centres: For Mr Borthwick this is the house, turned into a hyper-comfortable guest-housing with a top of the market appeal to select clients offering a chef head-busted from a well known restaurant for value added meals and post-shooting ambience. Beaters: Might be students from a technical college housed in a dormitory near the house. Old Etonians offer preferred on some moors for proper understanding of the occasion. Wages provision for the moor including the game keeper and house staff represent about 20 per cent of gross sales. Estate paid about £5 to £8 a day for 20 beaters on each drive. Tips administered on merit according to beaters' ability. Pheasant and partridge: Not a useful sideline with grouse because of high inputs for rearing. Hungarian and Czechoslovak tourist authorities have also caught on to the potential market which tends to lure clients away from Britain. Weather: Can be beastly but guns will want their money's worth of shooting in all weathers. A cold snap in the spring can be worse than a bout of tick to nesting covies of grouse and lead to humiliating refunds. Safety: Important to select non-trigger-happy clients who will respond to orders barked from the leader thus avoiding painful removal of shot from plus-fours or unarmed beaters. Gamekeeper: Hard to find and worth weight in gold. Vital for pro-grouse ecological balance through vermin control and will rise late at night to track down foxes and other predators. Grouse trends: Estate agents such as Savills, who watch the market, say the 12th will be more glorious in the borders and Yorkshire but less glorious for Perthshire and the Scottish Highlands which are still recovering from the effects of bad winters. Agents: Land agents report capital value (based on brace shot over an average five to 10 year period) range from £500 per brace for a small moor with poor performance to £500 per brace on more prolific moors. Hunting: The grouse must be hung after catching, making the general rush to get the fresh grouse on to the hunchback plates of leading London restaurants deplorable in the eyes of many gourmards. Rough shooting: A lucrative end of season extra appealing in particular to American gun club members. Involves guests walking through the hills shooting almost anything that moves. Revenue about £700 a week per gun. Cash flow: More vital than

Glyn Ganin

Birmingham stock 'locks' at 13 1/2%

THE CONTINUING 1982 bull market in gilts has triggered the so-called "drop-lock" provision of a loan stock issued only a year ago by Birmingham District Council.

The stock, still the only one of its kind quoted in the local government market, was issued with an initial interest rate for three months of 15 per cent. Thereafter the rate was to be fixed anew every six months, unless the yield on seven-year gilts fell below 12 1/2 per cent for three consecutive weeks. This has now happened, as measured by the Bank of England's gross redemption yield calculations. Consequently the Birmingham stock has locked into a fixed rate of 12 1/2 per cent, or at least will do after November 20, when the current six-month rate, now 14 1/2 per cent, expires. At the same time the stock's maturity has been extended from August 21 1986 to November 20 1989, when it will be repaid in full at par with accrued interest. Birmingham District Council came to the head of the market queue for local authority borrowers last summer at a time of high interest rates. Seven-year gilts stood at 15.229 per cent one week after it issued its drop-lock in August 1981. Treasury and Civil Service Committee Memoranda on International Monetary Arrangements July 12, 1982. (S.O. 44.90).

Clearing banks warn on debt rescheduling

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

A PROLONGED world recession and moves towards protectionism could put significant pressure on the international banking system's ability to reschedule large debts, the London clearing banks say in a memorandum published today. The banks say, however, that they do not at present see any great risk that a debt default by an East European or developing country could precipitate an international financial crisis. The memorandum, from the Committee of London Clearing Banks is in response to a questionnaire on international monetary arrangements sent out by the all-party Treasury and Civil Service Committee of MPs. The committee says that lending to sovereign borrowers now accounts for a substantial part, but not the majority, of foreign lending by international banks. In the last two decades, the committee says, experience of two oil crises and other disturbances has demonstrated the resilience of the international banking system. The major banks continuously analyse the credit-worthiness of borrowing countries and impose ceilings on their exposure to particular borrowers. Supervisory authorities in the major countries also monitor their foreign lending. But the committee says: "That said, there can be no question of complacency on the subject, nor can the broadly satisfactory experience of the past be relied upon as a good guide to the future: the burden of debt has increased, the world economic climate has been unfavourable and interest rates high." It says prolonged recession could bring a "significant risk of a generalised rescheduling problem... This would impair confidence in the international banking system. If it were to set off a chain reaction following a crisis affecting an important bank or group of banks." The clearer warn: "Any abrupt tightening of controls by supervisory authorities that impeded the function of the market would be undesirable and might precipitate the dangers it was intended to forestall." They suggest that central banks outside the largest industrialised countries might clarify their role as lenders of last resort to commercial banks. They also suggest that the International Monetary Fund and the World Bank might operate an "early warning system" and could have a role if a large number of reschedulings were required. Treasury and Civil Service Committee Memoranda on International Monetary Arrangements July 12, 1982. (S.O. 44.90).

Signal Life faces writ and inquiry

BY ERIC SHORT

SIGNAL LIFE, the Gibraltar-based company which issued life products marketed in the UK by Hanover Financial Services, is facing a writ and an official investigation. Hongkong and Shanghai Bank Trustee (Jersey), a member of the Hongkong and Shanghai Bank Group, issued a writ on Monday against Signal Life. It was announced on Tuesday that Gibraltar's Finance and Development Secretary had instituted an inquiry into the financial affairs and marketing operations of Signal Life, to be completed by October 5. The writ against Signal Life also includes as defendants Hanover Financial Services and

Life offices report large rise in pensions business

BY ERIC SHORT

BUOYANT new individual life and pensions business in the second quarter of this year is reported by the three life associations—the Life Offices Association, the Associated Scottish Life Offices and the Industrial Life Offices Association. New annual premiums rose by 16 per cent on the quarter from £225m to £261m—7 per cent higher than in the second quarter of last year. Single premiums increased by 19 per cent from £330m to £394m, 15 per cent up on the second quarter of last year. Personal pensions business continued its strong growth. Annual premiums increased by 33 per cent on the quarter from £38m to £50m, 22 per cent higher than last year, while single premium pensions business also rose by 33 per cent from £22m to £29m, 20 per cent higher than last year. In the unit-linked sector annual premiums were up 17

Collapsed company to pay fifth dividend

BY ERIC SHORT

POLICYHOLDERS and bondholders with the collapsed National Life Assurance are to receive a fifth dividend amounting to 3.5p in the pound. The payment comes nearly four years after the fourth dividend payment and brings the total amount paid since the company went into liquidation in July 1974 to 78.5p in the pound. At the time of the previous payment, Mr Gerry Weiss, senior partner in W. H. Cork Gully and Co., as liquidator, told policyholders the next payment would be the final one. Now he has told policyholders to expect a sixth. Although all the remaining problems associated with the liquidation have not been concluded, there have been sufficient additional realisations to enable him to make the fifth distribution costing about £95,000. The liquidator has received a further dividend in excess of £87,000 from the liquidator of

Eleven fuel drilling licences awarded

BY RAY DAFFER, ENERGY EDITOR

THE Government has awarded 11 oil and gas production licences covering an area of almost 2,500 square kilometres in the East Midlands, Southern England and the Isle of Wight. Companies which have won the major share of the concessions include the British Gas Corporation, the state-owned gas undertaking, which is being stripped of its oil production interests by the Government. British Gas has been told that any oil found in the development of the licences will have to be relinquished. "It is the Government's policy that the British Gas Corporation should not be involved in the development and production of oil fields," the Energy Department said yesterday. The gas corporation is to be a partner with British Petroleum and two independent companies, Floyd Oil and Gas (UK) and Candacea Resources, in nine of the concessions covering 2,072 square kilometres. British Gas, which has often repeated it is impossible to tell whether an exploration well will locate oil or gas—or anything at all—welcomed the licence awards. "It said the licences would enable the corporation to have a continuing role in onshore exploration. It is vital that we are fully involved in the onshore search for hydrocarbons."

Greenpeace protest

SIX MEMBERS of the international Greenpeace organisation were still chained to the dumping platform of the UK nuclear waste disposal vessel Gem yesterday. They went aboard on Monday night to prevent it dumping radioactive waste in the Atlantic, 24 miles north-west of Spain. The Gem's crew carried on working, although at a reduced pace, by constructing a wooden dumping platform.

Asbestos riposte

have complained to the Independent Broadcasting Authority over Yorkshire Television's recent programme Allice — A Fight for Life. They said the programme created "unnecessary and widespread public alarm; serious loss of trade, disruption of good industrial relations and massive loss of equity capitalisation" for asbestos manufacturers and sellers.

BR 'breakfast fare'

BRITISH RAIL plans to woo back more than 1m passengers in a deal where children will get free travel vouchers in exchange for tokens collected from packets of Kellogg's Corn Flakes and Rice Krispies. The offer, which runs from September 1 to May 31 next year, is targeted to bring in £5m for BR.

Management advice

THE Clothing Economic Development Committee today publishes its sixth and last management brief to improve worker-management communication in the textile and clothing industries. Mr John Grattwick, chairman of the committee's employment steering group, and chairman of Empire Stores of Bradford, which produced the series of briefs, said all 5,000 companies in the industry would receive copies. Communications within the Company. Single copies free from the NEDO, Millbank Tower, London, SW1. Bulk copies may be bought.

Powell re-selected

MR ENOCH POWELL, Official Unionist MP for South Down, last night was re-elected as candidate for the next general election. He won the seat in 1974 after his split with the Conservative Party and had a 3,211 majority at the last election.

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Did you know? Sometimes figures mean more than words.

Advertisement for Banca Nazionale dell'Agricoltura. Total Deposits: 13,870 billion Lire. Loans to Ordinary Customers: 4,546 billion Lire. Net Profit: 32,5 billion Lire. Capital and Reserves: 397,2 billion Lire. Includes a logo and the text 'A Bank for all seasons.'

THE Government has awarded 11 oil and gas production licences covering an area of almost 2,500 square kilometres in the East Midlands, Southern England and the Isle of Wight. Companies which have won the major share of the concessions include the British Gas Corporation, the state-owned gas undertaking, which is being stripped of its oil production interests by the Government. British Gas has been told that any oil found in the development of the licences will have to be relinquished. "It is the Government's policy that the British Gas Corporation should not be involved in the development and production of oil fields," the Energy Department said yesterday.

Bowater-Scott wins battle over pulp import licence

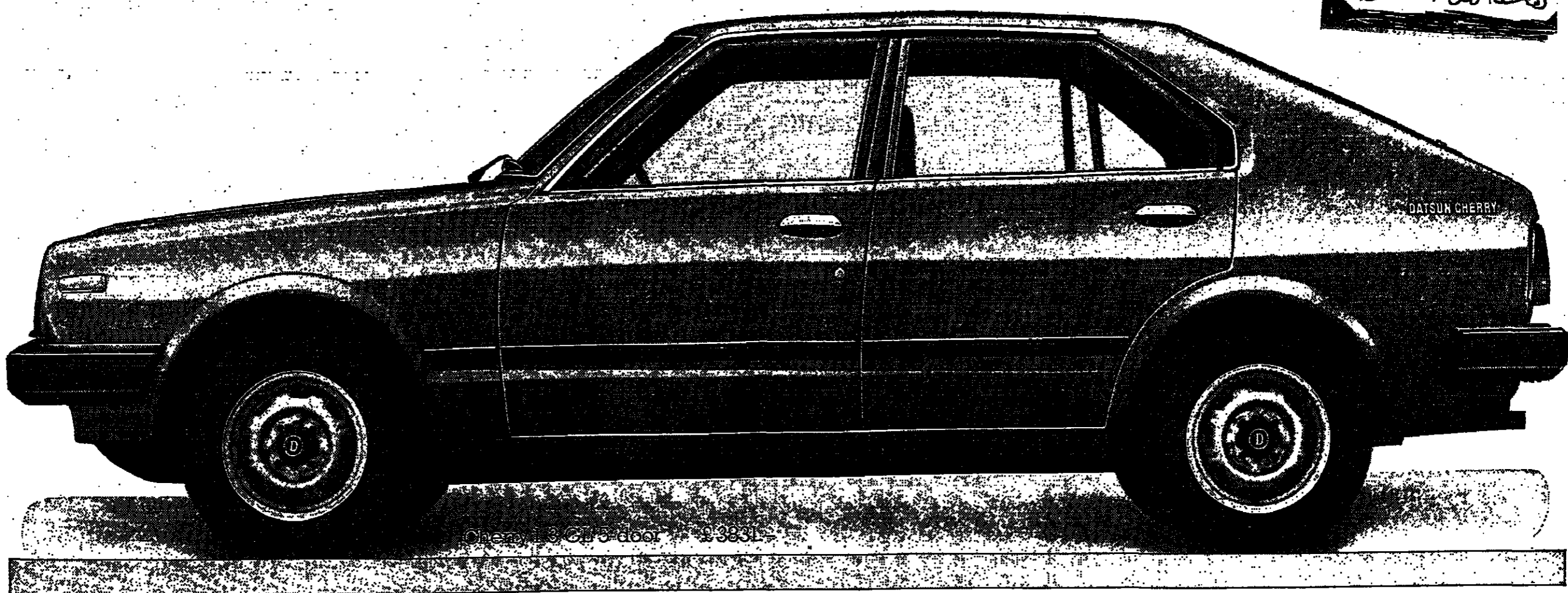
BY ANDREW FISHER. BOWATER-SCOTT, the Andrew and Scott's tissues company owned by Bowater in the UK and Scott Paper in the U.S., has been granted a special licence to import pulp for other companies into Britain against the wishes of the Port of London Authority. The company said yesterday that the Government had overruled the PLA's refusal to grant it an employers' licence for its Northfleet terminal on the Thames at Gravesend, Kent, opposite the authority's main cargo facility in Tilbury, Essex. In Barrow-in-Furness, Cumbria, and in Gravesend. But it would like to spend some £2m to develop its river facilities to boost importing capacity for North American and Scandinavian pulp over the next four to five years to some 400,000 tonnes annually. Following the Government's decision, Bowater-Scott will open talks with union representatives on employing registered dockworkers to handle the extra cargoes. It employs 27 non-registered dockers outside the Dock Labour Scheme, which effectively guarantees jobs—but could eventually employ 60 dockers at Northfleet, of which about 40 would be registered.

Royal Bank of Scotland adds to board strength

BY WILLIAM HALL, BANKING CORRESPONDENT. FOUR appointments have been made to the board of the Royal Bank of Scotland. They include Mr Angus Grossart, co-founder of Noble Grossart, the Scottish merchant bank, and Mr William Thomson, chairman of Ben Line, the Scottish shipping line. The appointments are the first since last year's takeover battle for the bank, when there was criticism in Scotland that its board was composed of relatively old men. The average age of the new directors is 45. The other two new appointees are Mr Ian Grant, a managing director of Glenmoriston Estates, and Mr Douglas MacDonnell, managing director of John Menzies. Sir Michael Herries, chairman of the Royal Bank, said yesterday: "The appointments will add significantly to the range of skills and experience available to the bank, and after last year's uncertainties they are now back on track in keeping the board broadly based and in tune with the times."



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many other fine products, from rockets for launching satellites, to marine engines and boats, and sophisticated jet loom machinery for weaving. So the Cherry front wheel drive hatchbacks, estate and coupé, with 1 litre and 1.3 litre engines, have gained their reputation in two ways - through the high technology acquired by Nissan and used in their production, and through millions of owner-miles the world over. The Cherry gives outstanding reliability because Nissan manufacture to perfection and assemble with scrupulous care; double economy because you save through sheer dependability as well as through fuel efficient engines; and genuine value because the Cherry, like all Nissan cars, is a complete motor car at an exceptional price. The Cherry, along with all the other fine cars manufactured by Nissan, is at your dealer now. Nissan design them, Nissan build them and Nissan present them to you with all the confidence in the world.

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UK NEWS - LABOUR

Heseltine 'attack' on Government examined

BY PHILIP BASSETT, LABOUR CORRESPONDENT

TUC leaders yesterday examined minutes taken by Congress House staff of last week's meeting of the National Economic Development Council which detailed the attack on Government policies by Mr Michael Heseltine. Environment Secretary...

NHS workers may step up action

BY BRIAN GROOM, LABOUR STAFF

HEALTH SERVICE unions may bring forward plans to step up their three-month pay dispute, in an attempt to prevent it losing momentum after its five days of intensified industrial action.

Health Service unions may bring forward plans to step up their three-month pay dispute, in an attempt to prevent it losing momentum after its five days of intensified industrial action.

Health regions fear effect of cash limits

BY DAVID GOODHART, LABOUR STAFF

MR PRICE TURNER, general administrator of Cambridge Health District, is a worried man. So, in rather a different way, is Mr Brian Herbert, the Treasurer of the East Anglia Regional Health Authority.

Job-splitting scheme denounced by TUC

BY OUR LABOUR CORRESPONDENT

THE Government's new job-splitting scheme was denounced by TUC leaders yesterday as an "ill-thought out and misconceived attempt to disguise the Government's total inaction in the face of a continued rise in unemployment and stagnating output."

Trade union power versus the law

Philip Bassett looks at sympathy action and the consequences

SYMPATHETIC industrial action by Fleet Street electricians this week has brought to the boil a central issue which has been simmering behind health service disputes: Will health service disputes be taken in support of their weaker trade union colleagues in the NHS?

That was a case at the end of last year, when the Court of Appeal decided that the blocking by the International Transport Workers' Federation of the MV Arizona in Hull docks was illegal under the Act. Striking seamen were successfully ordered to leave the ship, which eventually cleared the docks.

Down the road at the prestigious 800-bed Addenbrookes Hospital in Cambridge, Mr Price Turner was at the sharp end of that devolved power and feeling the pinch.

The Measure of Growth

STATEMENT OF CONDITION AS AT 30TH JUNE 1982 (UNAUDITED)

Table with 3 columns: Item, 30TH JUNE 1982, 30TH JUNE 1981. Rows include ASSETS (Cash and Due from Banks, Time Deposits, Loans, Advances & Overdrafts, Other Current Assets, Investments, Fixed Assets), LIABILITIES (Current, Savings and Other, Demand Accounts, Overdrafts with Banks, Time Deposits - Banks, - Non-Banks, Other Current Liabilities), and SHAREHOLDERS' EQUITY (Share Capital, Reserves, Unappropriated Earnings).

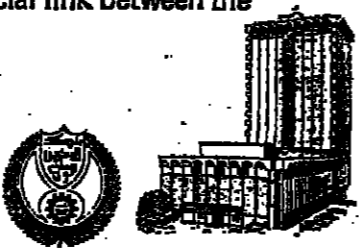
This quantum growth is a reflection of the bank's working philosophy which has pitched the bank to Euromoney's (June '82) Top 500.

A nucleus of young, dynamic banking professionals, flexible and efficient organisation structure, innovative banking, government participation and a need based customer service have provided the thrust for this success.

In the Arab World we have committed ourselves to meeting the financial needs of various levels of customers in the Gulf. We have now spread our network to Abu Dhabi - our first branch outside Bahrain.

To this end we remain a bank that acts as a financial link between the Gulf and the world.

NATIONAL BANK OF BAHRAIN P.O.Box No. 106, Manama, Bahrain, Tel: 258800 Telex: 8242. NATBNK BN



Both the NGA and Soest '82 decided to comply with the court's injunction. The call into question the seriousness of union officials' pledges to defy the Government's new Employment Bill when it becomes law by entry to prison if necessary.

Lucas staff get 6%

WORKERS AT Lucas Electrical, the first company in the motor industry to pay tools, have defied a union strike call and accepted an offer of about 6 per cent.

The Royal Bank of Scotland Mortgage Rate. The Royal Bank of Scotland plc announces that with effect from close of business on 1 September 1982 its Mortgage Rate will be reduced to 12 1/2 per cent per annum.

Private Investment Company for Asia (PICA) S.A. US\$20,000,000 Floating Rate Notes 1986. For the six months from 16th August 1982, to 10th February 1983, the Notes will carry an interest rate of 14 1/2 per annum.

مكتبة النخيل

**APPOINTMENTS**

**Mobil senior posts**

Mr Doyle G. Marrs has been appointed chairman and president, MOBIL NORTH SEA in London. He succeeds Mr Charles E. Spruell who has been appointed president and general manager, Mobil Oil Exploration and Producing Southeast Inc, New Orleans. Mr Marrs will be responsible for Mobil's exploration and producing activities in the North Sea where the company is operator of the Beryl field.

Mr A. M. McWatters, managing director, will become deputy chairman of HARVEYS OF BRISTOL on September 20. Mr David Beatty will replace him as managing director. Mr Beatty is special projects director with Lyons Teley.

Mr Andrew Zaph has been appointed development director of CARDIFF PROPERTY. He joins from A. C. Frost Commercial, Windsor, where he was a partner.

Mr R. W. Luckhurst and Mr R. J. Rawlings have been appointed to the board of NURDIN AND PEACOCK. Mr D. Moore, has been appointed chief accountant.

THOS. W. WARD is re-organising the group's non-cement activities, by divisionalising five principal trading activities, with each administered by an executive main board director: Mr G. P. Jones—raw materials, Mr D. Sims—roadstone, Mr W. M. Tomlinson—engineering, Mr R. Atherton—motors and Mr B. Whitworth—industrial supplies.

Mr D. Wolstenholme, Ward main board director, is appointed a director and Mr A. C. Boydell appointed company secretary of each division. Primary purpose is to group together subsidiary companies with complementary trading activities. As an integral part of this strategy, Mr B. Whitworth becomes chairman of two wholly owned Ward subsidiaries: Bradford-based Frank Parker and Co and Hex Safety, Chesham.

Mr W. Murray Tomlinson is appointed chairman of C. Evans and Sons, Brentwood. Mr Whitworth is also chairman of Thos. W. Ward (Industrial Supplies), Mostyn Docks and Trading, and Thos. W. Ward (Australia) Pty. Mr Murray Tomlinson is chairman of Thos. W. Ward (Industrial Dismantling), Thos. W. Ward (Railway Engineers), Marshall Richards Barco, Grantham Road Services, Widnes Foundry and Engineering Co, and John Lee (Sacks). Thos. W. Ward is a member of the RTZ Group.

DEVITT GROUP has made the following appointments: Mr H. Whale and Mr N. K. Rlee to be directors and Mr P. Giles and



Mr D. G. Marrs, chairman and president, Mobil North Sea

Mr A. Richardson to be assistant directors of Devitt (North America). Mr C. D. Summers to be a director of Meacock Samuelson and Devitt (Reinsurance Brokers). Mr R. P. Proctor to be a director and Mr T. Primrose to be an assistant director of Devitt (Aviation).

Mr A. E. Kitson, general manager of the London Guarantee and Reinsurance Co, has succeeded Mr A. L. Preston, as chairman of the REINSURANCE OFFICES ASSOCIATION. Mr N. W. Evers, general manager of Norwich Winterthur Reinsurance Corp, has been appointed deputy chairman.

Mr James A. Luck has been appointed managing director of SPENCER WESTAIR, a wholly-owned subsidiary of Neil and Spencer Holdings. He was group managing director of Anglo-Swiss Holdings, a subsidiary of Armstrong Equipment.

The BATH AND PORTLAND GROUP has made the following appointments in its construction division: Mr Derek Perrey becomes chairman of Marples Ridgway Construction and Mr Andrew Gay joins that board as deputy managing director. Mr N. A. Rackham becomes chairman of Dudley Coles, and Marples Ridgway Buildings. Mr A. E. Thomson joins the board of Marples Ridgway. Mr Robert Whitmore joins the board of Marples Ridgway Building.

Mr Lionel R. Rolfe has been elected a director of THE RIVER PLATE AND GENERAL INVESTMENT TRUST COMPANY.

Mr Hugh Black has been appointed managing director of R. W. TRANSMISSIONS, a member of the Richardson Westgarth Group. To devote his full time to this position, Mr Black has resigned from the board of Richardson Westgarth.

**INTERNATIONAL APPOINTMENTS**

**Director for CBI's office in Brussels**



Mr S. Rankin, the CBI's man in Brussels

Mr Stephen Rankin, the CONFEDERATION OF BRITISH INDUSTRY'S regional director for the West Midlands, is to head the CBI office in Brussels, from October 1. He will be CBI's permanent delegate to UNICE, the European Confederation of Employer's Organisation, and will be responsible for relations with EEC institutions and with the UK delegation to the EEC. He replaces Mr John Seates, who returns to London after nine years in Brussels to become deputy director international policy.

WESTERN AIRLINES elected Mr Ned P. DeWitt 2nd to the position of president and chief operating officer and to the board. Mr DeWitt moves to Western from Six Flags Corporation, where he was president and chief executive officer.

Mr H. P. (Pat) Riley has been elected executive vice-president of production of AMINOL USA, INC. Mr Riley was general manager of production for Amoco Production Company (International).

Mr Ronald P. Carroll has been appointed senior vice-president, human resources, for MEAD CORP., a manufacturer and distributor of forest and indus-

trial products. He was director, personnel and organisation, for Ford's North American automotive operations.

Mr Geoffrey S. Mullis has been named vice-president, corporate communications, by COMMERCIAL UNION INSURANCE COS. He was assistant vice-president, corporate communications.

Mr John B. Damoose has been named director-U.S. automotive merchandising, for CHRYSLER CORP. Before joining Chrysler in June, he was manager-marketing strategy for Ford Motor Co's North American operations.

CROCKER NATIONAL BANK has appointed Mr Randy Peters as a vice-president in the loan syndication group of the

merchant-banking division, based in San Francisco. He was a senior vice-president of the Abu Dhabi Investment Co where he was responsible for loans, syndications, personnel and administration.

Mr Ewell H. Muse III has been elected vice president of TENNECO INC. with responsibility for long-range planning and development. He has been senior vice president in charge of energy resource activities for a Tenneco subsidiary, Tennessee Gas Transmission Company. In his new post, he succeeds Mr James K. Ashford, who has been promoted to the presidency of another subsidiary, Tenneco Automotive.

Mr George T. Dillard has been appointed senior vice-president, administration, and Mr Robert M. Perry has been named vice-president, internal services, by COMMERCIAL UNION INSURANCE COS. Boston. Mr Dillard, who was vice president, field administration, will be responsible for several home office administrative areas in addition to field administration.

Mr Perry, who reports to Mr Dillard, will manage travel and transportation as well as internal services. Mr Perry was assistant vice president, internal services, at FRITZSCHE DODGE & OLCOTT INC. has made Mr Harry J. Stesco president and general manager of Fritzsche Dodge and Olcott Canada. Mr Stesco was vice president and general manager.

Mr Hiteshi Yamamoto is joining Morgan Grenfell from Daiwa Securities as a director of

MORGAN GRENFELL INVESTMENT SERVICES. He will be going to Tokyo to work as Morgan Grenfell's assistant representative with particular responsibility for the affairs of the investment division.

Mr Larry G. Morris has been elected senior vice president-administration of the PENN CENTRAL CORPORATION. Mr Morris had been senior vice president-administration of GK Technologies Inc, a wholly-owned subsidiary of Penn Central, since April of this year.

Mr Peter J. Widmer has joined BANK JULIUS BAER AND CO. in Zurich as a senior vice president to head the Bank's international institutional portfolio management division. Previously, he was responsible for institutional business and portfolio management at Swiss Bank Corp., Zurich.

Mr Bernard J. McFadden has been elected a vice president of INTERNATIONAL TELEPHONE AND TELEGRAPH CORP. He has also been appointed president of IIT Africa and the Middle East. He was the group's executive vice president and general manager.

Mr H. Alton LeBeau Jr has been appointed president of SCHEWPPES USA. He succeeds Mr John B. Onthank, who has been a president of L. Rose and Co., a subsidiary of Cadbury Schweppes U.S.

Mr Joseph H. Harrison, Jr, an attorney with the firm of Stealey and Austin, has been appointed general counsel of the NATIONAL FUTURES ASSOCIATION from August 31.

**CONTRACTS**

**Myton wins work worth £4.5m**

MYTON, a building company is due to be finished in the scheme and are supervising the construction work which is being undertaken by the local contractor, BIN HAM AGRICULTURAL ESTABLISHMENT.

BAKER PERKINS has received orders to the total value of £3m from British Bakeries, part of the Ranks Hovis McDougall group, for a bread plant replacement programme at Glasgow and Newcastle.

FOUR civil engineering contracts, worth more than £3m, have been awarded in Scotland to MCTAY ENGINEERING AND CONSTRUCTION, a member of the Mowlem Group. The largest award, worth more than £2m, is at RAF Kinloss, near Forres, Grampian, where MCTay is to carry out all building, civil and mechanical engineering work involved in constructing a bulk fuel installation. Completion is due in autumn next year.

CONSTRUCTION of sewerage facilities to a recreational complex which will be situated on United Arab Emirates has started. BALFOURS, UK-based consulting engineers, designed

months. The bodywork and livery was prepared by S. W. Cartwright and Sons of Ayringham.

MATTHEW HALL MECHANICAL SERVICES, fire engineering division is to provide fire protection and detection services for the 2,000 MW AD/DC converter facility to be constructed at Sellindge Kent, part of the CEGE/Electricite de France cross-Channel electricity scheme. The contract includes diesel pumps and an 18-inch diameter ring main supplying water from a 34,000 cu ft capacity tank via 24 deluge valves to some 3,000 high-velocity nozzles. The nozzles provide protection for converter transformers, transformer coolers, smoothing reactors and reactor coolers. Smoke detection systems will be provided in administration areas together with smoke sampling pipework installations in the four valve halls. Cost is in the region of £800,000.

VOSPER PRIVATE, of Singapore, has been awarded a contract by the Sultan of Oman's navy for the supply of two 33-metre landing craft mechanised, together with their logistic support services.

**GOLD FIELDS GROUP**

**GOLD FIELDS PROPERTY COMPANY LIMITED**

(Incorporated in the Republic of South Africa)

**PRELIMINARY ANNOUNCEMENT OF RESULTS**

The audited consolidated profit for the year ended 30 June 1982, is as follows:

	Year ended 30 June 1982	Year ended 30 June 1981
<b>REVENUE</b>		
Profit on realization of investments	2,151	696
Rentals	2,068	1,905
Interest	1,255	403
Profit on property and township sales	1,155	1,130
Income from investments	949	1,057
Gold royalties	425	285
Waste rock sales	273	207
Sundry	198	266
	<b>8,474</b>	<b>5,949</b>
<b>EXPENDITURE AND AMOUNT</b>		
WRITTEN OFF	1,689	1,466
Administration, property and general	1,341	1,208
Amount written off investments	258	139
Interest paid	90	119
<b>PROFIT BEFORE TAX</b>	<b>4,785</b>	<b>4,483</b>
Tax	1,751	1,554
<b>PROFIT AFTER TAX</b>	<b>5,034</b>	<b>2,929</b>
Unappropriated profit, brought forward	259	328
	<b>5,293</b>	<b>3,257</b>
Less:	<b>5,057</b>	<b>2,998</b>
Dividend declared	1,840	1,431
Transfer to reserves	3,217	1,567
<b>UNAPPROPRIATED PROFIT, carried forward</b>	<b>236</b>	<b>259</b>
Earnings per share—cents	49.2	28.6
Dividend per share—cents	18.0	14.0
Times dividend covered	2.7	2.0
Net assets (as valued) per share—cents	280	266

Note: The profit realised on the sale of investments will be utilised for reinvestment and is thus not available for distribution to members.

**ANNUAL REPORT**

These results are published in advance of the annual report which will be posted to members in September 1982.

**DECLARATION OF DIVIDEND**

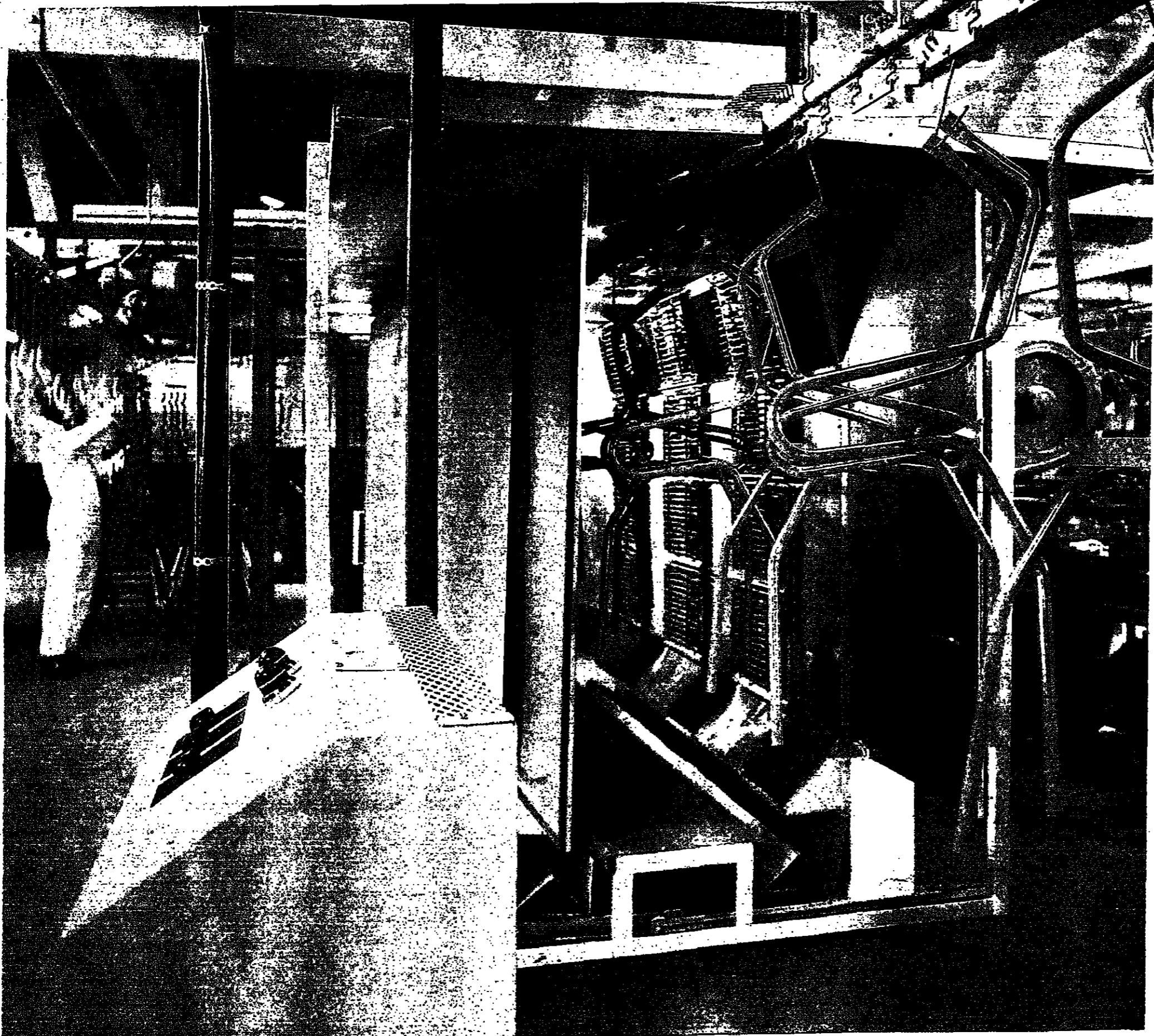
Dividend No. 121 of 18.0 cents per share in respect of the year ended 30 June 1982 has been declared in South African currency, payable to members registered at the close of business on 27 August 1982.

Warrants will be posted on or about 28 September 1982. Conditions relating to the payment of the dividend are obtainable from the share transfer offices and the London Office of the company. Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the company on or before 27 August 1982 in accordance with the above-mentioned Conditions.

The register of members will be closed from 28 August to 3 September 1982, inclusive.

London Office: 49 Moorgate, London EC2R 6BQ.  
 United Kingdom Registrars: Hill Samuel Registrars Limited, 6 Greencoat Place, London SW1P 1PJ  
 11 August 1982

By order of the board  
 C. E. WENNER  
 London Secretary



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TECHNOLOGY

Dick Tracy, detective hero with the wristwatch telephone, is about to be overtaken by the 20th century

# A flick of the wrist for the conversations to come

BY GUY DE JONQUIERES

TECHNOLOGY is about to catch up with Dick Tracy. For the past 40-odd years the jawed detective hero of one of America's most popular comic strips has relied on a clever wristwatch telephone with a video display screen to help bring a succession of fictitious villains to justice.

A few weeks ago Seiko, a Japanese company, unveiled a wristwatch television. And the miniature cordless telephone is also on its way. Motorola of the U.S. has developed a range of prototypes small enough to fit in a coat pocket and Oki of Japan hopes to sell similar devices for as little as \$350 each before the end of this decade.

Even Britain's Home Office, more accustomed to regulating technological progress than stimulating it, seems excited by the prospects. A recent report by its Mobile Radio Committee noted: "It is possible that by the end of this century communication facilities by devices the size of a wrist-watch will be economically and technically possible."

**Barrier**  
But Mr Ray Northcott of the Postal management consultancy estimates that as much as 45 per cent of demand may not be satisfied. He claims that if an expansion of such systems were allowed, increased efficiency would reduce road haulage costs by about £200m a year.

The main barrier lies in the limited radio frequencies allocated by the Home Office. At present, mobile radio is assigned less than 8 per cent of the usable frequency spectrum. The rest is shared out among broadcasters, police and public services and the Ministry of Defence.

After years of lobbying by users, the Home Office has finally yielded some ground. A few weeks ago Mr William Whitelaw, Home Secretary, provisionally allocated 30 Megahertz (MHz) of new frequency to radiotelephone services. His final decision will be made in the autumn, when he receives a preliminary report by a special committee on ways of reallocating frequencies used to transmit 405-line television broadcasts, which are due to be phased out in a few years.

In late June Mr Patrick Jenkin, Industry Secretary, announced plans to license two competing radiotelephone networks. One would be a joint venture between British



Marconi supplies this 55 channel radiophone for use with the British Telecom radiophone system

Telecom and private interests, and the other would be a wholly private consortium, still to be selected.

Mr Jenkin stipulated that the new networks must use a technology known as cellular radio. This technology (also to be used in the Mercury private telecommunications network) dramatically expands channel capacity by using the available radio frequencies more efficiently. In theory, it could

increase by as much as 100 times the subscriber capacity of existing radiotelephone services.

Conventional radiotelephone systems use the same frequency throughout the area they cover. But with cellular systems, the area is divided into a large number of small "cells," only a few miles across, each of which is served by its own transmitter-receiver, or base station.

Adjacent base stations use different frequencies. But those which are some distance apart can transmit on the same wavelength, minimising the total number of frequencies which have to be used. As a subscriber moves from one "cell" to the next, the system automatically adjusts to the new frequency.

Cellular radio was invented by American Telephone and Telegraph, which has been operating a trial system in the U.S. for three years. Motorola is also testing rival systems in Baltimore and Washington DC. A third type of system is also in use in Tokyo.

In Western Europe, however, the front-runner is the Nordic Mobile Telephone System, the result of collaboration in Scandinavia. It is already operating in the four countries, and orders have been received from Spain for both countries to use the

Nordic system. Both are familiar with the type of exchanges it uses, designed by Sweden's L. M. Ericsson.

Britain's GEC-Marconi also has a minority interest in Svenska Radio, which makes part of the Nordic system, while Denmark's Stormo, another supplier, has production facilities in the UK.

Whether a Franco-British deal will be clinched, however, is still uncertain. There have recently been indications that the French may be considering allying themselves instead with AT and T, which is pushing very hard to grab a share of Europe's telecommunications markets.

But which ever choice France makes, the opportunity for Western Europe's telecommunications administrations to untie, for once, around a common technical standard has already been missed.

West Germany has also announced plans to adopt still another system, known as Network C, which is being developed by Siemens, the country's principal telecommunications equipment manufacturer.

British Telecom and its French equivalent has also been discussing the possibility of adopting jointly a system based on the Nordic technology. The purpose would not be as much to permit mobile communications across the channel as to seek economies of scale in the manufacture of the equipment needed.

Mr Malcolm Ross, a telecommunications specialist with Arthur D. Little, the management consultancy, believes that there is a strong industrial logic

## Citibank type cash management Screen and keyboard link for the corporate treasurer

BY GEOFFREY CHARLISH

THERE IS increasing interest in the idea of corporate treasurer of financially active companies going on line to their banks, via screen and keyboard, in order to improve cash management.

They then have immediate access to their account data, collected and filed continuously in a computer memory.

In June, Midland emerged as the first of the big four UK clearing banks to offer such a service, and National Westminster plans something similar soon. Lloyds and Barclays are

also actively examining the matter.

In the U.S. there are 100 banks offering such services. One of them, Citibank, has used its experience of intra-branch cash management (for internal purposes) to launch a similar system for customers, allowing them to communicate directly over dial-up lines with various Citibank branches in places like Amsterdam, Frankfurt and Zurich.

The user can key in his instructions and get a response in one of several European languages.

Using simple keyed commands he can obtain an instant summary showing the balance in the various company accounts; these are numbered, allowing him to select a specific account and see its recent entries on the screen.

By further tree branching he can home in on details of a specific transaction, bring up a cash availability schedule, or search for a specific entry by the use of simple search commands.

The Citibank system also has extensive foreign exchange facilities. The user can ask to see outstanding contracts due to mature between specific dates and can bring up particular deals.

Citibank has been working with about 35 users during some nine months of pilot activity. Terry Fitt, Vice-President, believes the service will have marked advantages for any company needing immediate knowledge about its accounts in a number of countries.

Meanwhile, across the Channel, Credit Commercial de France (CCF), one of the country's major international banks, has chosen to use a Teletel (French viewdata) system rather than go down the usual computing route.

Called Videbanque, the service has been developed specifically for the bank's larger corporate clients. However, CCF has future plans to expand this videotex (viewdata) system to include non-banking services, ultimately to all of CCF's 600,000 accounts.

All 34 of CCF's branches in Paris are now equipped to handle Teletel videotex transactions; by September terminals will have been installed in 60 other branch offices.

Eighteen corporations have deployed terminals, called Minitel, that make use of basically the same hardware as the French PIT electronic telephone directory terminal. Some 25 other companies have signed up for the service.

CCF cites four reasons for the choice of viewdata over normal computing techniques: the terminals are cheap as a result of mass production, they are simple to use, there is immediate nationwide access via a local phone call, and there is "a proven compatible interface of Teletel front ends with IBM computers."

Videobanque, apart from providing immediate access to accounts, also offers electronic mail facilities, 350 pages of economic analysis and transaction searching.

By the autumn, CCF plans to add real time information on currency exchange values and stock exchange quotations, as well as intra-company and inter-bank fund transfers.

In 1983, Videobanque will add a third party computer billing, "to a separate organisation" that will offer cash management, accounting and financial analysis.

Apparently, CCF chose videotex on the basis of a favourable experience in the Teletel 3V residential trial now in progress in the Velizy suburb of Paris.

Called Videbanque, the service has been developed specifically for the bank's larger corporate clients. However, CCF has future plans to expand this videotex (viewdata) system to include non-banking services, ultimately to all of CCF's 600,000 accounts.

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### Machine tools Unit for cylindrical machines

DIAPFORM w high launched a CNC profile wheel dresser for surface grinders last year, has now come up with a similar unit for use on cylindrical grinders. The company has departed from the conventional template/pantograph system with a new conversational programme.

Diapform says that by using jog buttons on the control unit and electronic control for fine adjustment, the dressing diamond can be set manually to establish a datum position at, say, the corner of the grinding wheel or at a pre-determined point over the face width.

A second claim is that the CNC diapform is the first form grinding equipment which can be integrated into an automatic production cycle.

Whatever, models for use with cylindrical grinders range from £16,000 to £20,000.

The company is at Arundel Road, Uxbridge, Middx, Uxbridge UB8 5BB.

MAX COMMANDER

### Navigation Direction finder

DEVELOPED BY Rohde and Schwarz is a 12 channel VHF direction finder which should prove particularly useful says the company, for taking bearings of ships and aircraft in near coastal waters.

Designated PA 022, the unit operates between 118 and 162 MHz and uses six radially disposed dipole aerials in a circle. The dipoles are quickly connected to turn to the electronics system which is able to deduce a bearing to within ±2 deg.

The direction of approach is seen as a bright dot on a compass rose display and the numerical bearing figure as three digits. The indications are updated every second; any speech content on the VHF incoming transmission can be monitored on a loudspeaker.

Rohde and Schwarz is at Roebuck Road, Chessington, Surrey KT9 1LP (01-387 5771).

### Dosing pump

MIKRO is a new high precision dosing pump developed for accurate repeat dosing of micro-litre volumes. It should be of interest to people involved in process or quality control, batching techniques, titration and automatic or single stroke pipetting. Heads with deliveries of 50, 200 or 500 microlitres per stroke are available. Full details from Chemie and Filter, Queens Drive, Newall, Burton-on-Trent (0283 214223).

### Saw blades repair Speedier system from Addison Tool

A NEW machine to repair damaged circular saw blades has been introduced by Addison Tool, Acton. The company claims that saw blades can be treated more quickly using its process than conventional techniques.

The machine employs a thin grinding wheel, on a powered head which moves across and in between the horizontally mounted saw blade under repair. This operation removes unwanted or damaged parts of the blade which can then be re-sharpened using conventional techniques.

The machine is suitable for circular blades between 110 and 630 mm in diameter and comes complete with a grinding disc for trepanning. A typical blade can be treated in six to nine minutes. More information on 01-993 1661.

NEW ISSUE August 11, 1982

**FNMA** FEDERAL NATIONAL MORTGAGE ASSOCIATION

**\$800,000,000**  
**14.45% Debentures**

Dated August 13, 1982 Due August 10, 1987  
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This offering is made by the Federal National Mortgage Association through its Senior Vice President-Finance and Treasurer with the assistance of a nationwide Selling Group of recognized dealers in securities.

Debentures will be available in Book-Entry form only. There will be no definitive securities offered.

**John J. Meehan** Senior Vice President-Finance and Treasurer  
**Allen C. Sell** Director of the Fiscal Office

100 Wall Street, New York, N.Y. 10005

*This announcement appears as a matter of record only.*

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BUSINESS LAW

No AEG way out for UK companies

By A. H. HERMANN, Legal Correspondent

WHILE the German public is stunned by the collapse of AEG-Telefunken and worried by its possible consequences, quite a few boards of British industrial companies will view with envy and disbelief the ease with which the German company can manage its own financial restructuring...

That such a state of law is against the public interest is now widely recognised. When trade creditors have to bear the entire burden (the assets being absorbed by the tax man and the bank), insolvencies have a knock-on effect...

Under the French procedure of provisional suspension of payments, the court grants a three months' delay immediately after the opening of the proceedings. No payment of prior debt or disposal of assets may take place during this period without the consent of the delegated judge.

The recommendations of the Cork Committee go far as either the French or the U.S. model. In its view insolvent companies should not be prevented from arranging simple moratoria or compositions by the complexity and expense of the procedure under Section 206.

The two procedures proposed by the Cork Committee for saving businesses by an agreed reduction of debts would be frustrated by the banks' floating charge

This was recognised by the Cork Committee, which proposed the introduction of voluntary arrangements, either under the supervision of the court or without the court's supervision. Continental legislation for such "compositions" dates from the end of the last century and has been greatly refined since then.

By contrast, the continental way of dealing with insolvent, or merely over-indebted, companies, is to allow them to come to an agreement with their creditors. By proposing such a settlement under the supervision of the court the debtor can obtain an immediate moratorium applying also to secured creditors, as soon as the court appoints a trustee, and this can be done very quickly.

In the U.S., the 1979 Bankruptcy Act goes even further. Its chapter 11 greatly facilitates the composition of debts aiming at the survival of the business which takes precedence over the protection of creditors. It enables a company which cannot meet its debts to go to court with a plan for making the business successful and solvent.

The proposals read nicely. They would provide the insolvent profession with new attractive hats but it is doubtful whether banks would stand for this new fashion. The badly-needed reform of English insolvency law can hardly be attempted without dealing with the floating charge first.

RACING BY DOMINIC WIGAN

ONE SIGNIFICANT name will be missing from the list of trainers with horses still engaged to run when the acceptors for the Waterford Candelabra Stakes are published later this week.

Henry Cecil, who has dominated this £17,000 Group Three event at Goodwood since its inception in 1975, is surprisingly without a runner.

The Newmarket trainer, who won the first running with Cappuccelli and was successful again in 1978 and 1980 with Formulata and Fairy Footsteps, originally made 11 entries for this year's seven-furlong fillies' race to be run on Saturday, August 28.

Waterford Glass will contribute £8,000 towards the race. It will also give £500 to the owners of horses trained overseas, including Ireland, which are transported to Goodwood to run in the race.

PUBLIC NOTICES

PROPOSALS INVITED FOR THE CATERING CONTRACT AT THE SOUTH BANK CONCERT HALLS

Advertisement for catering contracts at South Bank Concert Halls. Includes details for Greater London Council, contract start date of 14th January 1983, and contact information for GLC Working for London.

PUBLIC NOTICES: BOTHERHAM METROPOLITAN BOROUGH COUNCIL, 22.5 million Bills issued 11 August 1982...

RESIDENTIAL PROPERTY: SWITZERLAND, FOREIGNERS can buy apartments freehold on LAKE GENEVA, in Montreaux near Leausanne...

LEGAL NOTICES: No. 00368 of 1978 THE COMPANIES ACT, 1948 IN THE MATTER OF CHRISALLIS DRESS MANUFACTURERS LIMITED

BIRMINGHAM District Council Drop-Lock Stock 1986/93 ("the Stock")

PERSONAL: ELMYR DE HORE The Master Forger of the Twentieth Century Own a magnificent Monet, Renoir, Picasso, Van Gogh...

ART GALLERIES: BLOND FINE ART, 33, Seville St., W1. 01-437 1250. GALLERY ARTISTS, UNIT 18, 18, St. James Street, W1.

SEMINARS: THE U.S. COMPUTER SERVICES INDUSTRY A MARKET ANALYSIS AND GROWTH FORECAST

COMPANY NOTICE

TIGER OATS AND NATIONAL MILLING COMPANY, LIMITED (Incorporated in the Republic of South Africa) NOTICE TO ORDINARY SHAREHOLDERS

U.S. \$200,000 CREDIT LYONNAIS Floating Rate Notes due 1994

MIDLAND BANK UNIT TRUSTS Midland Bank Group have decided that in future their range of Unit Trusts shall be known as Midland Bank Unit Trusts rather than Midland Drayton Unit Trusts.

BANK HANDLOWY W. Warszawa S.A. Floating Rate Note issue of USD 30 million 1979/87

THE IMPERIAL GOLD STORAGE AND SUPPLY COMPANY, LIMITED (Incorporated in the Republic of South Africa) FINAL DIVIDEND No. 94 ON ORDINARY SHARES

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BBC 1 6.40-7.55 am Open University (Ultra High Frequency only) 9.20 Living News 9.30 Jackanory 9.45 Paddington 9.50 Why Don't You...? 10.15-10.30 Think! Backwards 10.55 Cricket: Second Test - The Cornhill Insurance Test Series, England v Pakistan from Lord's, 1.05 pm News After Noon, 1.35-1.50 30 min. Bann, 3.45 Pohl v Cwm, 4.18 Regional News for England (except London), 4.20 Play School, 4.45 The All-New Popeye Show, 5.05 John Craven's Newsround, 5.15 Stopwatch: First of five programmes, introduced by Paul McDowell and Suzanne Dando.

6.40-7.55 am Open University, 10.15-10.30 Play School, 1.35 pm Cricket: Second Test - Cornhill Insurance - Test Series, England v Pakistan from Lord's, 1.05 pm News After Noon, 1.35-1.50 30 min. Bann, 3.45 Pohl v Cwm, 4.18 Regional News for England (except London), 4.20 Play School, 4.45 The All-New Popeye Show, 5.05 John Craven's Newsround, 5.15 Stopwatch: First of five programmes, introduced by Paul McDowell and Suzanne Dando.

ANGLIA 9.30 am Sesame Street, 10.30 Spread Your Wings, 10.55 Captain Nemo, 1.20 pm Anglia News, 1.45 The Adventures of Mickey, 4.29 Father Murphy, 6.00 About Anglia, 6.50 Crossroads, 10.30 Colchester Searchlights: Taurus, 11.00 Lou Grant, 11.25 The Living Legends, 12.20 News and Their Poetry.

CENTRAL 9.45 am Make Mine Music, 9.55 Byones, 10.25 Zoom In Dolphin, 11.00 The Nature of Things, 12.30 pm The Young Doctors, 1.20 Central News, 6.00 Central News, 6.45 Father Murphy, 6.00 Crossroads, 11.00 Central News, 11.05 Skin Deep.

RADIO 1 5.00 am As Radio 2, 7.00 Mike Read, 8.00 Simon Bates, 11.00 Drive In, 12.00 pm News, 12.45 Paul Burnett, 2.00 Steve Wright, 4.30 Peter Powell, 7.00 Feet's Pleasures, 8.00 David Jensen, 10.00-12.00 John Peel (S).

RADIO 2 5.00 am Don Drummond (S), 7.30 Roy Mason (S), 10.10 Jimmy Young (S), 12.00 Gloria Hunniford (S), 2.00 pm Ed Stewart (S), 4.00 David Hamilton (S), 5.45 News: Sport, 6.00 John Peel (S), 8.00 Country Club with Wally Whiston (S), 8.00 Alan Old and Big Band Sound (S), 9.55 Sports Desk, 10.00 On the Royal Albert Hall, 11.00 Extra, 11.00 Brian Matthews: Round Midnight, Arts magazine (starts from midnight), 1.00 am Encore (S), 2.00

TELEVISION LONDON

Tonight's Choice TV has the film of the night at 7.45 (at least in London) when it screens The Duellists, a tale of honour in a Napoleonic setting directed by Ridley Scott and starring Albert Finney and Edward Fox...

BBC 2 6.40-7.55 am Open University, 10.15-10.30 Play School, 1.35 pm Cricket: Second Test - Cornhill Insurance - Test Series, England v Pakistan from Lord's, 1.05 pm News After Noon, 1.35-1.50 30 min. Bann, 3.45 Pohl v Cwm, 4.18 Regional News for England (except London), 4.20 Play School, 4.45 The All-New Popeye Show, 5.05 John Craven's Newsround, 5.15 Stopwatch: First of five programmes, introduced by Paul McDowell and Suzanne Dando.

GRANADA 9.30 am European Folk Tales, 9.40 History Around You, 10.00 The World We Live In, 10.20 Young Rasmus, 11.05 2-2-1 Contact, 11.25 Spiderman, 1.20 pm Galada Reports, 4.20 Video the Viking, 4.45 The Little House on the Plains, 6.00 This is Your Right, 6.05 Crossroads, 6.20 Granada Reports, 6.35 Yesterday, 7.00 Central News, 10.30 Film: Sir Street Blues, 11.20 What the Papers Say: Stephen Pile of the Sunday Times, 11.45 Life of...

HTV 9.35 am Struggle Beneath the Sea, 10.25 Larry the Lamb in Toytown, World of Animals, 10.45 Wild, 11.20 Johnny's Animal Parade, 1.20 pm HTV News, 5.05 Jobline, 5.15 Into the Laboratory, 6.00 HTV News, 6.55 Crossroads, 10.25 HTV News, 10.30 News, 11.00 The Amazing Years of Cinema.

RADIO 3 6.55 am Weather, 7.00 News, 7.05 Morning Concert (S), 8.00 News, 8.05 Morning Concert (continued), 8.00 News, 9.05 This Week's Composer: Frank Bridge (S), 10.00 Cello and Piano Recital (S), 10.45 Philharmonia Orchestra (S), 11.45 Bertok piano recital (S), 12.00 Northern Sinfonia of Scotland (S), 1.00 pm News, 1.05 Piano Duo (S), 2.00 Fidelity, opera in two acts by Beethoven (sung in German) (S), 4.05 Youth Orchestra of the World (S), 4.35 News, 5.00 Mainz for Pleasures (S), 6.00 Bandstand (S), 7.00 Arthur Schnabel (S), 8.20 On the Royal Albert Hall, 8.30 Part 1: Mozart, Mendelssohn (S), 8.30 Letters from Madrid: Pedro Schwartz, economist, reflects on contemporary

RADIO 4 6.00 am News Briefing, 6.10 Farming Today, 6.20 Shipping Forecast, 6.30 Today, 6.40 The Midday Show, 8.00 Today, 8.05 News, 8.10 Today's Sport, 8.15 News, 8.20 Checkpoint, 8.30 The Living World, 10.00 News, 10.02 News, 10.05 News, 10.10 News, 10.15 News, 10.20 News, 10.25 News, 10.30 News, 10.35 News, 10.40 News, 10.45 News, 10.50 News, 10.55 News, 11.00 News, 11.05 News, 11.10 News, 11.15 News, 11.20 News, 11.25 News, 11.30 News, 11.35 News, 11.40 News, 11.45 News, 11.50 News, 11.55 News, 12.00 News

9.30 am in Rock Pool, 9.45 Animated Classics, 10.30 Story of the Grand Prix, 11.05 The Adventures of Niko, 11.30 Paint Along With Nancy, 12.00 Gideon, 12.15 pm Get Up and Get 12.20 The Sullivan, 1.00 News, plus BT Index, 1.50 Thames News with Robin Houston, 1.50 Emmerdale Farm, 2.00 Here Today, 2.45 Window of Courage, 3.45 The Glamour Girls, 4.15 Dr. Snuggles, 4.20 Voyage to the Bottom of the Sea, 5.15 Survival, 5.45 News, 6.00 Thames News with Bill Carter and David Bellin, 6.30 Dangermouse, 6.45 Robin's Nest, 7.15 The Paul Sexton Show, 7.45 'The Duellists', starring Albert Finney and Edward Fox, 8.30 The Best of Health?, 10.00 News, 10.30 Thriller: 'In the Girl He Wants To Kill', 11.55 What the Papers Say, 12.15 am Close: Sit Up and Listen with Stan Phillips

BBC 2 6.40-7.55 am Open University, 10.15-10.30 Play School, 1.35 pm Cricket: Second Test - Cornhill Insurance - Test Series, England v Pakistan from Lord's, 1.05 pm News After Noon, 1.35-1.50 30 min. Bann, 3.45 Pohl v Cwm, 4.18 Regional News for England (except London), 4.20 Play School, 4.45 The All-New Popeye Show, 5.05 John Craven's Newsround, 5.15 Stopwatch: First of five programmes, introduced by Paul McDowell and Suzanne Dando.

SCOTTISH 10.00 am In Search of... Dracula, 10.20 Crazy World of Sport, 10.40 News, 11.20 Young Rasmus, 1.20 pm Scottish News, 4.20 The Extraordinary People Show, 4.30 Sport, 5.15 The Supermarket, 6.00 Crossroads, Scotland Today, 6.35 Benson, 10.30 Freedom Now, 11.00 About Gaelic, 11.30 Late Call, 11.35 Ladies' Man.

TSW 9.30 am Sesame Street, 10.30 Punct and Jody, 11.00 The Undersea Adventure, 11.30 News, 12.00 pm TSW News, 12.30 pm News, 1.00 pm News, 1.30 pm News, 2.00 pm News, 2.30 pm News, 3.00 pm News, 3.30 pm News, 4.00 pm News, 4.30 pm News, 5.00 pm News, 5.30 pm News, 6.00 pm News, 6.30 pm News, 7.00 pm News, 7.30 pm News, 8.00 pm News, 8.30 pm News, 9.00 pm News, 9.30 pm News, 10.00 pm News, 10.30 pm News, 11.00 pm News, 11.30 pm News, 12.00 pm News

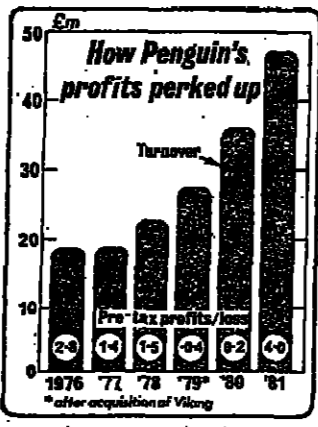
YORKSHIRE 9.30 am The Good World, 9.55 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News, 12.30 News, 1.00 News, 1.30 News, 2.00 News, 2.30 News, 3.00 News, 3.30 News, 4.00 News, 4.30 News, 5.00 News, 5.30 News, 6.00 News, 6.30 News, 7.00 News, 7.30 News, 8.00 News, 8.30 News, 9.00 News, 9.30 News, 10.00 News, 10.30 News, 11.00 News, 11.30 News, 12.00 News

THE MANAGEMENT PAGE: Marketing

Penguin learns to shout from the shelf

Christian Tyler on the revived fortunes of the UK publisher

AN unsuspected British appetite for dietary fibre — what many used to call roughage — is helping to restore the country's leading paperback book publisher to commercial fitness.



Penguin's publicity through reviews, radio and television programmes, and promotional tours by its authors.

Penguin has used television to push some of its titles — most notably Anthony Burgess's Earthly Powers.

U.S. paperback house Avon in 1978, is tackling once again the mass market that Sir Allen Lane cultivated with his six-penny editions sold over the counter at Woolworths in the 1930s.

Soon after taking over, Mayer set about cutting costs; the number of new titles was reduced, some of the three-year backlog of commissioned but unpublished works was written off and book stocks were cut by 5m.

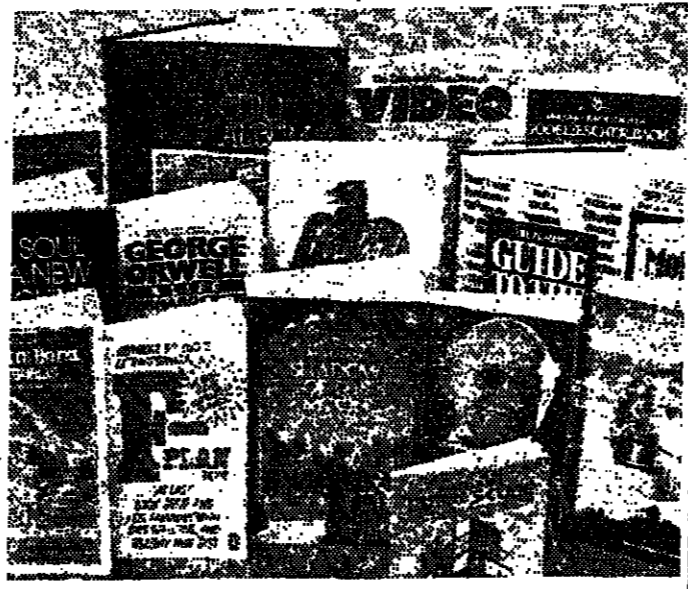
Today, Penguin presents a very different picture. Although volume sales are still below the best years of the 1970s, Penguin is one of only four UK paperback publishers to be in profit during the present recession and one of only two to have increased UK market share in the last year.

The turnaround, from a group loss two years ago to nearly £4m profit in 1981 (including an exchange rate bonus of £1.1m) has been achieved by major reorganisation and cost-cutting within, and aggressive marketing without.

With a claimed 25 per cent of the UK paperback market, Penguin is the clear leader — and in world sales far larger than any of its British rivals.

Promotion

Such hyping leads Penguin's competitors to suspect that the promotion budget is big and growing. Mayer says the budget has risen only in line with inflation.



same time it has been getting its books back on to the racks at hotels, airports, railway stations and corner tobacconists after years in which the imprint became more and more associated with the highbrow atmosphere of the bookshop.

Mayer's management reorganisation and aggressive marketing were the results of a decision actively to seek out authors and books and to pay prices that would secure them. Penguin's purchasing policy has had repercussions already.

trade says. The orange uniform of the modern fiction range has long been discarded (except for the spines) and the trademark shipped to an unobtrusive corner of the cover.

Flexible formats are Mayer's way of exploiting the company's biggest asset — its formidable backlist. For all the hype associated with the new mass-market titles, the backlist of literary classics, serious fiction, educational and reference works still accounts for 75 per cent of Penguin's sales.

Lintas links with Japan

BY DAVID CHURCHILL



THE Japanese connection is beginning to pay off for SSC & B: Lintas International, the London-based advertising agency network which has some 68 offices scattered throughout the world.

Only a couple of months after it had signed a 10-year association agreement with Hakuhodo, a leading Japanese advertising agency, it has just scooped the £1m plus account for Japan Air Lines in Europe.

The JAL account did not directly arise from the Hakuhodo link-up since negotiations were well under way before the deal was signed between the two agencies.

It is such links, informal as well as formal, that Lintas hopes will bring considerably more new business into its agency network over the next decade to help it remain in its position.

Yet this growth has been achieved without any penetration of the massive (worth \$10bn last year) Japanese advertising market — a market which traditional Japanese inscrutability has made difficult for Western agencies to join with any real degree of success.

Advertising in Japan has come a long way in the past two decades, mirroring the remarkable economic growth of the nation as a whole. But Japanese advertising, especially on television, also mirrors many of the excesses of U.S. commercial breaks, on which it is so obviously modelled.

Huge sumo wrestlers endorse office computers. French pianists plug Japanese perfumes. U.S. actors drink sake, and Mongolian shepherds slowly ride into the sunset, extolling the virtues of Suntory whiskey.

crisis indicated a retrenchment in Japan making an international link-up unwise at the time.

However, by 1979, the climate had changed sufficiently for Lintas to try a new approach. Tom Denney, chairman of SSC and B: Lintas agency in London, explains that "some of our major clients wanted to do business in Japan and wanted us to promote their products."

The major client was Unilever — not surprising since Lintas was originally founded in the 1920s as the house agency for the Unilever brands throughout the world except for the U.S. Until the sale Lintas to the Interpublic group this year, Unilever still held some 51 per cent of the SSC and B: Lintas agency, although it had long since developed an open market approach to appointing advertising agencies to handle product campaigns.

Expatriate

Unilever wanted to launch its best-selling "Jif" and "Domestos" products in Japan, so Lintas decided to put an expatriate into a Japanese agency to supervise these campaigns.

Consequently, the deal negotiated with Hakuhodo means that it will handle all Lintas's advertising commitments in Japan and that Lintas will refer all new business from companies trying to promote their product in Japan to Hakuhodo.

In return, Japanese companies that are seeking to export to Western markets will be referred by Hakuhodo to Lintas with its world-wide network of offices. Each partner will get an undisclosed percentage of the billings of business referred, although the main gains will come from the scale of the new business generated by the link-up.

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Consolidated Statement of Condition, June 30, 1982

Table with columns for ASSETS, LIABILITIES, and EQUITY. Total assets: \$2,924,090,000. Total liabilities: \$588,341,188,000. Total equity: \$2,335,748,812,000.

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London Branches: City Office, 7 Princes St., EC2P 2LR
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Manufacturers Hanover Trust Company of Florida, Miami, Florida
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State Bank of India
State Bank of India announces that its base rate is reduced from 12% to 11 1/2% per annum with effect from 11th August 1982.
rate of interest payable on ordinary deposits is reduced from 9% to 8 1/2% per annum
Main Office in the U.K.
State Bank House, 1 Milk Street, London EC2

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GATEWAY TO THE NIGERIAN ECONOMY
Nigerian Ports Authority first bi-lingual (English and French) magazine, 1981 is out. It is a well-documented catalogue which is published to inform all the nations of the world, the entire international shipping communities, the business executives and commercial interests everywhere about the various modern port facilities and services provided by the Nigerian Ports Authority for the expeditious handling of ships and cargo traffic at all the Nigerian sea ports and terminals and those being provided by other port-oriented enterprises.
The second edition (1982) will be out by October. The cover price is N25 (twenty-five Naira), N30 within Nigeria and US\$50 outside Nigeria including postage. For further information regarding the availability of the magazine as well as advertisement spaces, please contact:
Controller of Management Services
NIGERIAN PORTS AUTHORITY
26/28 Marina, Private Mail Bag 12588
Lagos, Nigeria
The printers of this magazine are Messrs. Societe Inter-Africaine d'Édition — (S.I.E.)
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Thursday August 12 1982

A desperate bid to gain time

By Kevin Done and Stewart Fleming in Frankfurt

AEG's lessons for Germany

AEG-Telefunken's decision to seek protection from its creditors provides only half a solution to its problem.

The group's longstanding weakness, pre-dating its disastrous foray into the nuclear power industry, has been its exposure to the business of electrical and electronic goods.

Vulnerable

Just as the bankruptcy of Rolls-Royce in 1971 seemed a vivid symbol of Britain's industrial decline, so this further downward lurch in AEG's fortunes illustrates some of West Germany's own industrial shortcomings.

Lack of technological imagination and lack of mastery of high volume production has long made German consumer products vulnerable to foreign competition.

Bucket shops and the airlines

THE WORLD'S major airlines are at last getting to grips with the problem of discounting.

Discounting is not a new phenomenon in commerce, or even in the airline industry.

Rod for their backs

All too often, in a near-desperate desire to reduce the numbers of empty seats, the airlines will off-load tickets through the so-called bucket shops.

They have thus been making a rod for their own backs, and the rod is beginning to get out of control.

AEG-Telefunken's fateful step into the hands of the courts in a last desperate move to stave off bankruptcy holds out hope that it will finally be able to work out a solution to its horrendous financial problems.



HEINZ DÜRR Hammer blow to hopes

The legal process set in motion by the board on Monday has been little tested in this way in practice—and never on this scale.

AEG is trying to gain time to allow an orderly restructuring of its affairs under the protection of the courts.

With its fate hanging in the balance this week it is again the banks that must decide first whether AEG—in whatever form it eventually emerges—is to be granted another reprieve.

Dürr strategy too complex

in any ensuing bankruptcy. Without this protection the banks would have been wide open to attack for throwing yet more good money after bad into the seemingly bottomless AEG pit.

For weeks the banks have been scrambling over granting a much smaller tranche of credit to AEG to help it over its immediate, acute liquidity crisis.

However, the banks' doubts over the role they should be playing in the latest round of sacrifices for AEG also reflected their growing conviction that the last-chance restructuring plan, the so-called "AEG-83," put forward by the company's management in May,

had little chance of becoming reality. The hammer blow to the hopes of Heinz Dürr, AEG's beleaguered chief executive, was delivered on Saturday night when the second of two possible industrial partners for the group's capital goods business bowed out of the arena.

The strategy for survival put forward by Herr Dürr has proved itself to be too complex and impossible to realise through voluntary negotiations.

However, it depended on too many disparate elements to be brought to fruition. The advantage of seeking a restructuring through the composition proceedings is that each party is now clearly aware that the alternative reality is only bankruptcy and not that the next party in line should take over a little more of the sacrifice.

The bank was earlier commissioned to handle the placement of shares in both British Aerospace and Cable and Wireless.

Kleinwort Benson director Time Barker said the bank was "obviously very pleased" to have been asked in a third time but was coy about the fee involved.

Which? blossoms

Having just eaten the last peach from my London garden I was feeling in a suitably professional mood to talk to Roger Davies, editor of Gardening from Which? to be launched today by the Consumers Association.

Davies practices his hobby on a quarter of an acre in Kent and now has a magazine under his belt as well to translate practice into theory.

The structure of AEG

Table with 2 columns: AEG Telefunken AG and various subsidiaries like AEG Anlagentechnik, AEG-Telefunken Serienprodukte AG, etc.

with Thomson-Brandt over a take-over of Telefunken were broken off in April and it is only in recent weeks that Grundig, the leading consumer electronics company in West Germany, has emerged as a potential replacement.

Herr Dürr said this week that AEG is also negotiating with potential partners for the household appliances business—AEG is still the dominant market leader in the Federal Republic—but this sector still faces a rigorous reorganisation and thousands of jobs are expected to go in the process.

The most viable part of AEG for the future has always appeared to be its capital goods business—areas such as defence systems, industrial and marine systems, transport systems, solar, radio and radar technology—which earlier this year was on course to return to profitability in 1982.

The most likely candidate to move in has for months been GEC of the UK, but Lord Weinstock's cash-rich electrical concern finally shied away last week having run into formidable opposition from the trade unions, the AEG workforce, and certain powerful elements of West German industry.

The one replacement available, United Technologies of the U.S., cried off on Saturday night, unable to commit itself at such short notice to the formidable task ahead and wary of all the other missing elements in the AEG-83 rescue strategy.

Pension liability burden

What has been achieved to date is the following: AEG has sold off its 53.4 per cent share in Hartmann and Braun, a manufacturer of measuring and electrical control equipment to Mannesmann.

Dürr began with the hope of being able to bring financial and industrial partners to take holdings in the technologically strong areas of AEG with the aim of helping to finance the research and development burden.

Dürr's major priority now must be to create a healthy core business—he estimates it could have around DM 8bn sales and a workforce of some 60,000—but for that he needs to be able to concentrate management time and resources.

Men & Matters

Telephone sales

Merchant banker Kleinwort Benson has pulled off a notable trick by being asked to advise the government on its plans to offer shares in British Telecommunications to the public.

New blood

There has been a deathly hush in St Andrews Square, home of the Royal Bank of Scotland, ever since the rival bids by the Hongkong and Shanghai Bank and Standard Chartered were blocked by the Government last January.

Which? blossoms

Having just eaten the last peach from my London garden I was feeling in a suitably professional mood to talk to Roger Davies, editor of Gardening from Which? to be launched today by the Consumers Association.

Autumn axing

It may be the Parliamentary recess, but MP's face tough decisions. Is it to be catalpa or oaks? The issue arises over the forthcoming demise of the six catalpa trees in New Palace Yard, Westminster.

Perfect fit

There is a directness of approach about Philip Birch, the genial chairman of the White Footwear group, which can aptly be described as Liverpoolian.

Autumn axing

Assiduous as ever, the House of Commons services committee has investigated the problem at a hearing attended by two members. The committee's report is as weighty as any analysis of the squandering of billions of pounds. The MP's initial problem was to know how old the catalpas are.

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Letters to the Editor

Employee participation and the Common Market directives

For Mr R. Lambert

Sir, — While having some sympathy with the reaction of Mr George Scott (August 4), head of the UK offices of the EEC, to the views of the Institute of Directors, it must be said that he and other officials operating at European level — including Commissioner Ivor Richard — are in danger of misleading their audience and/or constituents when referring to the "Frederling-Davignon" proposals as legislation for employee consultation. The proposals are actually concerned with the provision of information to trade union officials, which does not equate — in the UK, at least — with employee consultation. The lengthy debate about these proposals essentially concerns the transfer of information from one power base to another, so as to enable the latter to exert more influence over the former.

It is no coincidence that, in the course of discussion on the draft "fifth directive" — the legislation that is intended to establish employee participation and consultation through the election of employee representatives to decision-making bodies in a company, eg, a board of directors — UK trade unions have objected to key elements of the suggested mandatory principals for the election of employee representatives, eg, proportional representation, secret ballots, participation of all employees in elections, protection of minorities and separate lists of candidates for certain groups of employees. Those acquainted with the reality of trade union policies will be well aware that

these principles run counter to the normal practice of opinion-forming in most British trade unions. I would agree with Mr Scott that — for the sake of good industrial relations in a modern world — employee consultation must increasingly be seen as a right, and not as a favour granted by the employer. The legislation on this subject that is framed in Brussels, however, is unfortunately more likely to perpetuate the "adversarial thinking and jungle law which bedevil key areas of Europe's industrial relations." Insofar as certain vital respects it fails to deal seriously with the problems of ensuring effective employee consultation and participation. Strengthening the power position of trade unions will not, in practice, ensure "the constant improvement of the living and working conditions of their (members' states) peoples," although it might have done so in times past: it will in reality merely contribute to the strangulation of business dynamism and the ability of companies to operate effectively. What is, perhaps, needed is the harmonisation of trade union practices in the Community in order to achieve rough equality in terms of responsibility, democracy and ethics, so as to allow trade unions to perform their representational role with the full trust and confidence of their own members and of the employers with whom they must negotiate. It goes without saying that, in this context, the UK is the "sick man of Europe."

R. A. Lambert, 50, Riverdale Road, N5.

An argument for re-casting the EEC institutions

Away with the Commission

By Joyce Quin, MEP

AFTER THREE years in the directly elected European Parliament I am convinced that, whatever happens in the political argument over Britain's continued membership, institutional reform will be necessary if the EEC as a whole is to survive in the long-term. Yet even in the European Parliament where the debate on institutional reform has begun there is a greater emphasis on improving existing institutions rather than recasting them which, I feel, is becoming more than ever necessary.



The European Parliament building at Strasbourg.

The traditional pro-European orthodoxy, still accepted with an astonishing near-unanimity, by academics — and most Euro-MPs — is that the fault of the system lies in the nationalistic bickering in the Council of Ministers which has too much power and which has undermined the European Commission in its role as independent initiator of proposals. The Commission, so this orthodoxy has it, is the keeper of the European faith, and with its oath of loyalty to "Europe" puts forward ideas reflecting the genuine "supranational" interest and not that of any national government.

In practice, however, this theoretical independence has looked suspect, particularly in recent years. Witness the patronage involved in the appointment by member states of their particular Commissioners and the pressure various governments bring to bear on the distribution of the Commission's major portfolios. In all its internal appointments the Commission has to keep a national (and political) balance. Ability and/or European independence suffers accordingly.

There has been, too, the growth in importance in the last 15 years of the Committee of Permanent Representatives (COREPER) composed of national civil servants delegated to Brussels. These national civil servants and Commission officials are enmeshed in a plethora of different committees and sub-committees meeting in secret and together hatching up proposals and laying the groundwork for Council decisions. Indeed the final decisions on many secondary matters are not decided by the Ministers themselves at all but by their officials and one therefore has the feeling that matters which are too technical for the Ministers are never given adequate political scrutiny.

Yet cumulatively these minor matters may have considerable impact on people's livelihoods and groups as disparate as vets, fishermen, and car dealers will find themselves having to fight a rearguard action to change some rule or regulation without being able to understand why the decision was taken in the first place or to point the finger at whoever was responsible. Decisions on major matters are of course taken by the Ministers responsible to their national governments but these decisions, too, are taken in secret with the details of the bargaining and trade-offs involved only available via leaks and "informed sources." The EEC is therefore unique among western democratic systems in having a legislature where the final vote deciding legislation takes place behind closed doors.

The initial proposals for legislation, made by the Commission, are made public of course and these are sent to the European Parliament for its opinion but the way this is done also creates problems. It is a very long route indeed from the publication of a proposal to any final decision being made on it and hopes may be raised by proposals which are then dashed by the Council's failure to agree. In my own shipbuilding constituency of South Tyne and Wear for example, a Commission proposal to give substantial sums from the Social Fund to redundant shipyard workers was widely publicised only to cause bitter disappointment and disillusionment when the Council of Ministers failed to act on it.

Over the last two years and because of the fact that they are specialising in a concentrated area of policy the European parliamentarians have built up expertise particularly in the subject area of their own specialist committee. This expertise, together with the

detailed knowledge of Commission officials who would work for the Parliament under this new system and together too with the views received by parliamentarians from interest groups and constituents involved would be fed through the Parliament's internal structure in order to produce the formal initiatives.

The Council of Ministers after deciding on what action to take, would have at its disposal a number of existing Commission officials who would constitute a civil service in the sense that we know it in Britain — responsible for supervising the implementation of Council decisions and for liaising with the national officials in the country concerned.

The operation of such a system would of course need to be worked out in detail. Its immediate advantages would be, first, that there would be greater democracy and transparency in the European decision-making process. The Parliament's decision on what proposals to initiate would be taken in public and the positions of majority and minority would be clearly known. It would also be obvious when the Council of Ministers blocked even a minor decision, which would assist national parliaments in scrutinising the activities of their own government.

The political considerations involved in European decision-making would be shown up in their true light. Many initiatives would reflect its political bias but the Parliament's complexion and that of the Council of Ministers would probably be fairly close and therefore the decision-making procedure would be smoother as a result. In addition Parliament's minorities would be able to campaign for their own views and would be able to point out to their electors exactly what was happening. Under this system there would be less confusion between what were merely proposals for decisions and the decisions themselves.

To put forward such ideas is of course kite flying — if not utopian — but if Europe's institutions are ever to work efficiently, democratically and in a way which makes sense to its citizens, such changes need in my view to be given serious and practical considerations.

Joyce Quin is Labour member of the European Parliament for the South Tyne and Wear Constituency.

Unscrupulous foreigners and the British horticulturalist

From the Managing Director, Hedon Growers

Sir, — It is quite ironic to me that you give front page coverage (August 5) to a plea from a rose grower in the United States for (among other things) a cessation of unfair Dutch competition. His plea was also broadcast in a telephone link as a direct result of your comments.

How does this publicity compare with the minuscule comment occasionally made on your commodities page concerning the long running feud between British and Dutch growers?

The Dutch grower is heavily subsidised by his Government because he has a strident political voice. Your Government makes little more than sympathetic noises to the justified complaints and arguments presented by the British horticultural industry.

Our industry's demands for countervailing duties to be levied on this dumping of tomatoes and cucumbers have been ignored. Government states that such levies would be against the EEC rules.

This is typical. The Italians and French have always broken the rules when it suited their interests. The Dutch have been providing subsidies for years. No doubt the Spaniards after their entry will do the same.

In the meantime our home industry staggers from one crisis year to another with little chance of profit and no possibility of increased investment in heat saving techniques which are an essential for a future viable industry. When will our Government recognise that our industry is not pleading for subsidisation. It wants the unfair competition blocked.

If no action is taken British horticulture has no future. If

it does not survive the Government will have to pick up the tab on this increased import bill of £10m per annum.

J. E. Leggett, Hedon Growers, The Nursery, Norththorpe, North Humberdale.

From the Managing Director, Thomas Rochford and Sons

Sir, — I was fascinated to read your report from Washington (August 5) on the Wars of the Roses. There is a more serious threat to our own horticultural industry, however, from the flying Dutchmen and his ilk. British glasshouse growers are facing escalating production costs and declining returns in the face of a rampant and illegal supply of cheap Dutch produce. Traditionally this has been a stable industry in which to work but if the current

downward slump in prices continues a third of the 26,000 strong workforce will be made redundant.

So serious have the problems arising from subsidies and state aids in the Netherlands become that the House of Commons committee on agriculture has recently reported on the disastrous consequences arising therefrom.

Meanwhile, flagrant abuse of plant breeders rights in Holland continues. British-bred varieties of plants such as the well-known potentilla "Red Ace" have been pirated by unscrupulous Dutchmen who sell them in this country under other names. Legislation to be put before Parliament shortly in an attempt to block this loophole.

Thomas Rochford and Sons, Turnford Hall Nurseries, Broxbourne, Hertfordshire.

The large computer market

From the Managing Director, Amdahl (UK)

Sir, — With reference to your article "The large computer market — IBM pulls out the plug," by Guy de Jonquieres and Louise Kehoe (August 4), I feel that your readers should be aware of the position which my company (Amdahl Corporation) takes in relation to the topics covered in the article. May I start by emphasising that we are not in the business of copying IBM computers. We are in the business of running exactly the same user programs on our machines as will run on the larger IBM computers. This is not hair splitting and the difference is important.

We do not need to know IBM's secrets or its internal machine designs. The internal design of an Amdahl computer is quite different, our primary aim here being to optimise the more advanced technology which we utilise. IBM does, from time to time, offer additional functions on its large computers and, assuming that the customers accept and demand these new functions, then Amdahl has to design and implement equivalent functions in its own way. We have impressive engineering and design strength to enable us to perform this work and the technical challenge presented by it is small in comparison with the task of introducing a new range of machines.

Amdahl Corporation has a record of product innovation quite at variance with the notion that we copy or follow IBM. To take just one or two examples, Amdahl first introduced the concept of field upgradeable computers, allowing users to upgrade their existing computer when they needed more capacity, rather than having to replace it at great expense. IBM has now followed us with this facility. Amdahl has introduced an accelerator feature which enables users to upgrade their computer "in flight" for a temporary period to cope with a peak-load. This is still an Amdahl unique. There are many more examples which I could give, but I am sure space is limited.

Amdahl Corporation invests heavily in research and development, and has been ranked as the computer industry's number one spender when measuring R and D as a percentage of sales revenues and on R and D dollars per employee. We will stand or fall on our own efforts and talents. T. C. Pasola, Amdahl (UK), Valley House, 29-31 Lempion Road, Hounslow, Middlesex.

industry more competitive and employment more secure — is therefore the only sensible approach.

The alluring palliative of early retraining, often tried and discarded would again devalue living conditions for employed and unemployed alike. It would increase wages but not productivity, burden the employed with higher taxes, and escalate costs, pricing British manufacturers out of the overseas, as well as the home, markets. This, in turn, would suck in more imports, absorb the additional purchasing power but would scarcely create any more permanent jobs.

There is political mileage in concentrating on the plight of the unemployed but such indignation is not the same as finding remedies. Of course, politicians want to be re-elected and employer and employee associations want to be seen to care, but their noisy panaceas must not be uncritically accepted. The need is not for miracles but for modest and piecemeal proposals. Grandiose schemes are futile — none will purchase paradise this way.

Nicholas Stacey, Reform Club, Pall Mall, SW1.

Britain and the EDF

From Mr E. King

Sir, — Perhaps one of the main reasons for Britain's poor performance in works contracts (August 6) is the procedure necessary to follow bid opportunities. Any opportunity has to be supported by the host government as part of its development programme. It then has to be included in the European Development Fund overall programme after due scrutiny. Further progress by aspiring bidders is made in the host country either direct with the client or the Government, or both, with the local EDF representative available for assistance.

Since most contracts are small, and since the spread of countries to be serviced is very wide, the costs of making and sustaining the approaches referred to above is high. Add to this that UK experience, in general terms, on EDF countries is low, that largely UK export contract content has been in mechanical and process plant and associated works (which appear only on rare occasions in the EDF programme) and it is small wonder that the UK performance is poor. Of course it is true that we lag behind France and Italy in this field, but with UK industry now so short of cash, can we really afford to chase these relatively small, remote, risk contracts in areas we don't know?

Eric King, "The Walnut," Leigh Road, Betchworth, Surrey.

Too little in the beer can

From Mr B. Harrison

Sir, — I was interested to read your correspondent Mr E. Balfry's letter (August 6) regarding beer cans. I have always had the opposite impression — that the 15.5 fl oz can is designed to give the impression it contains a pint, ie 20 fl oz! B. Harrison, The Manor, 291 Cardington Road, Bedford.

Spanish trade advantage

From the Director, National Association of Drop Forgers and Stampers

Sir, — I am writing to you in a feeling of anger and exasperation at the apparent inability, or unwillingness, of our Government to put right an untenable situation which poses a very serious threat to manufacturing industry, notably in the west Midlands. I refer to the enormous tariff barriers which our own manufacturers face when exporting to Spain, compared to the trivial import duties which we levy on Spanish goods coming here. Here are the plain facts. Automotive components exported from the UK to Spain are subjected to a combined import duty and compensation tax of 34 per cent. Motor cars exported to Spain are subjected to 36.7 per cent duty. We, on the other hand, levy a duty of 2.9 per cent plus the VAT equivalent (total 17.9 per cent) on Spanish components coming into the UK, and 4.4 per cent on motor vehicles.

Moreover, Spanish exporters receive between 12 per cent and 15 per cent of the value of their goods in subsidies from the Spanish Government, whereas our exporters receive nothing. This situation derives from a trade agreement signed between Spain and the then EEC (before the UK was a member) in 1970, at a time when Spanish industry was in a very underdeveloped state. The Spanish motor vehicle and components industry has made enormous strides since then and now has a car industry with comparable

output to our own. How patently absurd to continue to give a tariff preference to Spain, when one considers the plight of our own ailing vehicle and component industries!

Our association has been trying for over a year to get this injustice put right, but we have encountered a defeatist and feeble response from Government ministers. Because Spain is a candidate for EEC membership, which will probably not take effect until 1985, no serious attempt is being made to renegotiate the 1970 agreement. There will undoubtedly be a transitional period after Spanish accession, but what means that we could have to wait until 1980 before we are trading as equals.

Government is quick to criticise industry for its restrictive practices, overmanning, the poor productivity, and yet it shows no serious resolve to remedy a well-documented and inexcusable case of unfair trading. The time for our Government to act — with or without the support of other EEC member states — is now, before there are yet more job losses and bankruptcies. The Spanish automotive industry must be laughing incredulously at our inability to put our house in order, and they will exploit their advantage to the full.

D. A. T. Powis, National Association of Drop Forgers and Stampers, Grove Hill House, 245, Grove Lane, Handsworth, Birmingham.

Farming in France

From Mr P. Vrancken

Sir, — Dr Klatzmann's article "The French farmer is not to blame" (August 4) begs more questions than it answers — both as regards the Common Agricultural Policy and as regards the effects of the EEC in general and its future.

No unprejudiced visitor to France — even the most casual tourist variety — who drives diagonally from the Channel ports to Provence, could possibly subscribe to what Dr Klatzmann claims as a typical British view of French agriculture. It is clear that, in general terms, the plains to the north of the Seine and la Beauce, south of Paris to the Loire have very large and highly mechanised units. It is equally clear as one pushes into and through the Massif Central, that units can hardly provide more than subsistence level income.

The more efficient French farmers could, and should be allowed to, feed more of the population of Europe. But not at the sort of prices needed to maintain your farmer in Auvergne or the Abruzzi in business.

It would have been interesting to have seen some figures on the evolution of the average size of agricultural holding over the 1968-1980 period as well as the percentage of working population engaged in agriculture over the same period. I am well aware that such averages are of only partial value; the larger holdings can be increasing in size while the number of subs-economic holdings remains

largely unchanged. Likewise the fall in numbers of agricultural workers can be more the result of dramatic leaps in productivity on the largest units without the number of smallholders being very much affected.

I would imagine that what your (currently unsympathetic) British observer would wish to see presented by Dr Klatzmann is some indication of the disappearance of the marginal farmer from the costs of the CAP over time and an end to what are support payments not used as such: over profitable larger farmers with little being done to restrain the subsistence farmer quickly.

The much larger question which the article begs is that of what the EEC should be in the future: one had originally envisaged it as a large market in which the law of comparative costs would be permitted to operate unfettered — but, of course, that has not happened: national governments are still responsible to their electors and the jobs of even the most unproductive will not be allowed to disappear!

P. L. Vrancken, 12, rue de Docteur Rochefort, 78400 Chailon, France.

Current cost accounting

From Mr D. Odling

Sir, — Let us revert to counting cash; it would be a useful move. Any fool can count cash and so we could then dispose of most accountants — that would be even more useful.

D. Odling, 2 Laurel Bank, Stanford Road, Bowdon, Cheshire

Advertisement for Air Lanka featuring a large eye graphic and the text: "Enjoy a taste of Paradise en route to Dubai." The ad promotes flights from London to Dubai and Sri Lanka, highlighting the comfort and service of the airline.

Fly with us in superb 747 comfort from London to Dubai. Our services depart every Wed, Fri and Sun at 12pm and arrive Dubai the same day. These same flights go on to our Paradise Isle of Sri Lanka. En route, we promise you a warm and gentle style of service that can belong only to those who live in Paradise. AIR LANKA. A taste of Paradise. Call your Travel Agent or Air Lanka, Tel. 439 0291, Birmingham 236 6211, Bristol 290046, Edinburgh 225 7382, Glasgow 248 4121, Leeds 434466, Liverpool 236 6135, Manchester 832 8611.

UK COMPANY NEWS

Companies and Markets

TI back in profit after six months

A RECOVERY from pre-tax losses of £13.7m to profits of £400,000 is shown by TI Group...

Trading profits jumped to £13.7m, compared with £1.2m last time, after crediting £1.45m from the disposal of certain forestry assets...

The pre-tax figure also included associates share of £100,000 (£2.8m losses)—figure for 1981 included £9.4m profit from the sale of Bridgewater House.

The directors comment that trading conditions in most of the group's markets did not improve significantly in the first half and the recovery in trading profit resulted almost entirely from cost reductions and loss elimination effected over the past two years.

The failure to move significantly into profit in the half-year, despite the closure of the Invergordon smelter and the elimination of its heavy losses, was due mainly to further deterioration in aluminium and to the severe recession in North America which affected a number of TI businesses.

TI has been moving steadily along a recovery path since the first point in the first half of 1981, directors state, but most of the progress achieved to-date has stemmed from the group's own efforts to improve efficiency.

The contributions from improved economic conditions has been minimal and less than was hoped for.

While there are improvements still to be obtained from further loss elimination and cost reduction, the pace at which the group can continue

HIGHLIGHTS

Lex on a busy day for company news looks at the interim figures from TI Group, formerly Tube Investments, and its subsidiary British Aluminium. TI has announced a recovery to a £400,000 pre-tax profit for the half year, compared with a £13.7m loss last time...

to move along its recovery path will be heavily influenced by external factors, they say.

Uncertainties affecting the prospect include whether the Government will take action in response to the stagnation now evident in the UK economy; the magnitude of the fall in interest rates, affecting TI's interest burden directly and international competitiveness indirectly through the effect on exchange rates; the trend of the US economy, affecting directly those businesses operating or selling there, and indirectly most others, particularly aluminium.

There is now no doubt that economic conditions are developing less favourably than was expected at the beginning of the year, they state. While the first quarter of 1982 was consistent with the expectation of a gradual improvement in trading conditions during the year, the second quarter showed a distinct deterioration over a

considerable part of the group's business.

The interim dividend is held, therefore, at 2.5p net per £1 share — last year's total was 7.5p and the pre-tax loss was £23.1m (£26.7m profit).

A divisional analysis of external and trading profits shows: Aluminium £123.6m (£138.2m) and £1.5m (£4.5m loss); cycles and toys £74.5m (£76.2m) and £3.2m loss (£7.7m loss); domestic appliances £104.5m (£103.1m) and £5.5m profit (£5m); steel tube £120.2m (£101.2m) and £5.1m (£0.8m loss); specialised engineering products £139.4m (£121.7m) and £7.3m (£0.3m); parent and other companies £0.5m (£0.8m) and £1m loss (£0.1m loss). Sale of Bridgewater House £9.4m profit in 1981.

In aluminium, market conditions throughout the world deteriorated further in the first half of 1982. The new smelter at Lochaber achieved excellent operating efficiencies, but in common with most aluminium

Glynwed edges higher at midway

AN INCREASE of £179,000 to £8.46m in pre-tax profit is reported by Glynwed International for the 26 weeks to June 26 1982.

Substantial progress was made in reducing the trading losses of the cycle business, although further cost reductions will be necessary to put the business on a sound footing.

Turnover of this manufacturer of engineering and building products, steel stockholders and distributor, rose from £17.04m to £20.43m. Trading profit climbed from £9.05m to £11.37m, and of this total approximately £8m came from the UK and £3m from overseas as opposed to last year when the UK and overseas each contributed approximately half.

The full benefits of the company's overseas investments are not reflected in the trading profits.

Mr L. Fletcher, the chairman, said that unless there is a marked improvement in the economic situations of South Africa and the United States, it will be difficult to match the previous year's success. Indications are that profits for the second half will exceed those of the first six months.

The pre-tax figure was struck after interest charges increased to £2.5m from £1.8m in the first half of 1981. Some of which concerned the acquisition of Durapipe towards the end of 1981, and much of the remainder arising in relation to the company's overseas investments.

First half tax was slightly lower at £2.05m (£2.2m) and provisions accounted for £157,000 (£153,000). Earnings per 25p share widened to 8.5p (8.2p) but the directors say that, given the trends of the group's borrow-

Woolworth losses mount sharply to £4.9m halftime

CONTINUING LOSSES at F. W. Woolworth in the second quarter to July 31 have left the retail stores group much deeper in the red at the six months stage.

Taxable losses for the half-year dropped sharply to £4.94m, an increase of £3.46m on the comparable period last year. The second quarter deficit, however, was down on that of the corresponding quarter at £2.59m (£3.25m).

The directors point out that, as always, the results for the full year are far more dependent on the second half's trading than those of the first half, but add that it is difficult to forecast what the results will be given the present economic situation.

Turnover for the first half moved ahead by £26.06m to £169.8m excluding concession sales and VAT and at the trading level profits emerged at £8.55m, compared with £8.38m previously.

From this, depreciation and interest took more at £7.22m (£6.8m) and £7.77m (£6.33m) respectively. Rental income added £1.49m (£1.2m) but the surplus from property disposals dropped from £585,000 to £312,000.

Half-year stated losses per 25p share widened to 8.5p (8.2p) but the directors say that, given the trends of the group's borrow-

GA second quarter masks poor trend

A SLIGHT improvement in the second quarter helped General Accident Group to show a pre-tax profit of £6.2m at the half, against £4.6m last time.

However, after a disastrous first quarter, this improvement masked the underlying deteriorating trend. Underwriting losses in the second quarter increased from £2.4m to £2.5m.

The group's investment income rose by 22 per cent to £32m (with an underlying growth of 18 per cent) and offset the underwriting losses.

A tax credit of £8m boosted attributable profits to £11.5m.

The interim dividend is held at 7.5p per share.

The net written premiums on non-life business rose from £15.5m to £16.5m, an underlying growth allowing for exchange fluctuations being just over 10 per cent.

Trading conditions in the UK remain poor in the second quarter with a widening deficit of £13m bringing the total losses to £40.7m, a turnaround from a profit of £2.3m last year.

The motor account—GA is the largest motor insurer in the UK—showed a profit of £800,000 in the second quarter which reduced losses after six months to £8.4m. However, this time last year the account showed a profit of £2.9m. GA lifted its motor premium rates by 81 per cent from August 1 this year.

Homeowners business improved in the second quarter with the deficit cut to £1.1m. But losses for the half year, reflecting the severe winter, came to £11.3m.

The industrial fire and traders accounts, hit by intense competition, had higher losses in the second quarter of £10.5m, bringing half year losses to £19.5m.

New annual premiums on life and pensions business declined from £12m to £10.3m.

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current payment, Date of payment, Total last year, Total this year. Includes Adams and Gibson Int, Assam Trading, Bann Bros, etc.

\*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡USM Stock. §South African cents throughout.

ing level and the reductions in UK interest rates, they are holding the net interim dividend at 1.25p.

The say that although the variety chain's turnover was similar to last year, improvements in gross profit and stock control were achieved. The DIY specialism, which achieved pre-tax profits of £2.2m for the half year after interest charged on borrowings from external and group sources.

The rise in group interest costs was due to the inclusion of amounts for the DIY companies and the effect of higher UK interest rates coupled with a

Confidence at Marshalls Halifax

Trading at the start of the current year showed a promising increase. Mr David Marshall, chairman of Marshalls Halifax, says in his annual statement. He is confident of this year's performance for the group, which recently announced £2.5m pre-tax profits for the year to March 31.

Describing the year as "one of the most arduous in the company's experience", Mr Marshall says that costs and cash flow were carefully controlled, thus bringing down borrowing and a sharp reduction in interest charges for this Yorkshire-based concrete products, brick drilling and handling equipment group.

At March 31 1982 shareholders' funds stood at £22.13m compared with £19.47m. Fixed assets totalled £18.55m (£16.7m) and net current assets were £9.21m (£8.29m). Meeting: Halifax, September 6, at 2.30 pm.

BACO cuts interim losses to £3.7m

FOR THE six months ended June 30 1982, British Aluminium Company, 58 per cent owned subsidiary of TI Group, has cut its taxable losses from £8.5m to £3.7m. Sales were down from £17.69m to £15.44m.

Including a £1.45m profit on the disposal of certain forestry assets in Scotland, and the elimination of Invergordon losses, the company turned in a trading profit of £764,000 for the period, compared with a £4.58m loss.

Trading conditions in aluminium deteriorated further in the first half, directors say, despite some recovery in volume in the UK.

There is, as yet, no indication of any general recovery in the international aluminium

industry, they state, nor in the UK economy. Against this background, results for the second six months are unlikely to show a significant improvement. However, measures already taken to improve cost effectiveness will ensure that the company is well placed to take prompt advantage of any upturn in the market.

In order to preserve Trustee status the directors have declared a nominal interim dividend of 0.1p—no dividends were paid last year when losses amounted to £22.3m (£12.13m profit).

It might have been hoped, directors say, that the lowest point in this industrial cycle had been reached by the end of last year giving the prospect of some stabilisation in aluminium prices. In the event, there has

been some further weakening in prices over the first half of 1982, particularly for primary metal and standard semi-fabricated products.

In response to this situation, primary producers have initiated further reductions in smelting capacity, although these reductions have not been geographically uniform. In North America, further cutbacks have reduced the operating rate to 80 per cent by contrast, capacity reduction in Europe has been much more limited, with the shut-down of the group's smelter at Invergordon being the only complete smelter closure during this year giving the prospect of some recession.

The group's downstream and non-aluminium operations con-

tinued to trade profitably. Above the line there were associates' share of profits of £119,000 (£38,000 losses), and interest charges, up from £3.91m to £4.58m.

Tax charge for the six months was £383,000 against £405,000, and after minorities, £88,000 (£91,000) and an extraordinary debit of £5.92m last time, the available figure was £4.46m losses (£15.24m). Loss per 50p share is given as 9.3p (18.3p).

The directors point out that results for the first half include significant non-recurring costs which may fall to be classified as extraordinary items when full year results are available.

See Lex

comment

South African earnings have been the prop of many a Midlands profit and loss account in the last couple of years. Glynwed now joins the list of those whose earnings have been propped up in the slower trading climate since the end of 1981.

Trading profits of the 74 per cent Dely subsidiary have dropped from £6.2m to £4.2m. The local management's apparent lack of success in curbing the combination of higher inflation and interest rates with lower demand meant that profits actually fell by three-quarters overall in the U.S., steel stockholders suffering from the lower volume of construction demand, although Glynwed's other activities have been going reasonably well and the group is showing a £2m profit (£2.8m) in the second half of 1981.

The saving grace, however, is that the second half recovery seen in the UK last year has been sustained, with trading profits at twice their first-half level in the second half of 1981. It is a cheerful outlook for the environment in looking to get near last year's pre-tax figures of £19.2m; market views, taking in a probably weak third quarter (and a 22m contribution to £56.3m) suggest a £16m would be a fair total. For a fully taxed p/e of around 10 on yesterday's 80p share price. The 12 per cent yield looks worry.

Mr Richard A. Adams, chairman and managing director, says the recent abolition of a diesel purchase controls is bound to have a beneficial effect on business in the last quarter of this year and through 1983, but forecasts for the short-term "would be more confident if interest rates would begin to move down significantly."

Trading profits amounting to £224,000 (£308,000) for the first half were subject to interest charges of £188,000, compared with £185,000.

Mr Adams describes the results as modest and explains despite the increased share of the passenger car market, achieved by Vauxhall/Opel, used car trading conditions remained very difficult so that the increased volume and turnover said to have yielded minimal additional profit.

He adds that the group's commercial vehicle markets remained depressed, although trading results from this sector were satisfactory against the general trend.

The company's Citroen franchise at Rampton, Northampton, has been replaced with a BL Car franchise, "as we think that their improved model range will provide better long-term prospects."

The interim dividend is unchanged at 1.25p net per 25p share—last year's dividend was 2.875p paid from pre-tax profits of £227,000.

There is no tax charge for the half year, and after dividend costs of £26,100 (same) there was £10,900 (£97,900) retained.

RESULTS AND ACCOUNTS IN BRIEF

GROUP INVESTORS—Final of 2.1p, netting 3.2p (1c) for year to June 30 1982. Gross revenue £26,883 (£24,438), tax £13,981 (£14,702), pre-tax profit £12,902 (£9,136) (£24,040). Earnings per share 2.94p (3.36p), net asset value per ordinary share deducting prior charges at par 128.3p (138.5p).

COURTS (FURNISHERS)—Results for the year to March 31 1982 and pre-tax profit of £1.8m. Shareholders' funds £25.51m (£21.68m). Fixed assets £19.12m (£16,000). Increase in working capital £1.12m (£1.18m decrease). Capital commitments, contracted for but not provided for, £645,000 (£1,822,000). Meeting: Shekhan, London, September 16, at noon.

WHEELER'S RESTAURANTS—Results for year to April 2, 1982, reported on July 16. Shareholders' funds £1.83m (£1.67m); fixed assets £1.69m (£1.37m). Fixed assets £1.69m (£1.37m); net current assets £32,000 (£78,000). Decrease in net liquid funds £481,000 (increase £227,000). Meeting: Birmingham, September 9, at noon.

QUEST INVESTMENT TRUST—Results for year to May 31 1982 reported July 21. Investments: UK listed at mid-market value £7.22m (£5.15m); overseas investments at value £31,343 (£28,520), unlisted at directors' valuation £23,159 (£28,180); current assets £28,211 (£28,741); current liabilities £289,508 (£280,528); shareholders' funds £2.31m (£2.97m); total funds employed £8.58m (£8.18m); increase in invested funds £28,741 (£34,714 decrease). Meeting: Brewer's Green, SW, September 1, 3 pm.

THE BIRMINGHAM MINT (maker of coins, medals, jewellery, buttons and badges)—Shareholders' funds £4.28m (£2.2m); fixed assets £3.2m (£3.2m); net current assets £32,000 (£78,000). Decrease in net liquid funds £481,000 (increase £227,000). Meeting: Birmingham, September 9, at noon.

RESULTS FOR THE YEAR ENDED MARCH 31 1982, reported July 17. Shareholders' funds £2.3m (£2.2m). Fixed assets £1.69m (£1.37m). Net current assets £32,000 (£78,000). Decrease in net liquid funds £481,000 (increase £227,000). Meeting: Birmingham, September 9, at noon.

RESULTS FOR THE YEAR TO APRIL 3 1982 reported July 16. Shareholders' funds £1.19m (£1.19m). Fixed assets £1.19m (£1.19m). Current assets £12.78m (£12.78m).

Advertisement for BFCF BANQUE FRANÇAISE DU COMMERCE EXTÉRIEUR. Features DM 100 000 000 9 1/4 % Bearer Bonds 1982/1989. Includes a list of international banks and branches.

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Companies and Markets

Handwritten scribble at top of page.

BIDS AND DEALS

BSC concedes to Berisford

British Sugar Corporation relinquished its last, tenuous grip on its independence yesterday in the face of the £282m bid by S and W Berisford when it dropped its efforts to secure an improvement on the 470p per share cash terms.

Still stressing that the cash and part share alternative terms are "inadequate," the British Sugar Board said that they were "considering in respect of their own beneficial shareholders, what action they should take since they recognise that continued rejection by them of this offer will no longer serve to obtain better terms for shareholders."

Sturla pays £1m for Manchester Wall

Sturla Holdings has agreed to acquire Manchester Wall Properties for £1m which will be satisfied by the issue of 7m ordinary shares of 10p each credited as fully paid in by Sturla valued at 12 1/2 per cent per share.

Hofheimer's Ward target

HOFHEIMERS, a private U.S. shoe retailing chain in Virginia and North Carolina, was identified yesterday as the target of Ward White's latest U.S. acquisition, foreshadowed earlier this week.

Dissidents fail to block Global

THE dissenting shareholders attempting to unseat the board of Global Natural Resources have failed to block Global's proposed acquisition of Texas-based McFarlane Oil.

An injunction was brought by a Global warrant holder, Mr James Wayne and others under Section 140 of the 1948 Companies Act and by Munro Bank. The action sought to restrain implementation of the McFarlane acquisition without prior approval of shareholders.

MCS ROBERTSON The receiver of MCS Robertson and Scott Holdings, Mr Robin W. Wilson of Touche Ross, Glasgow, has concluded agreements for the sale of the Glasgow-based group's advertising and related businesses.

The Rex Stewart Group, has acquired most of the business with locations in Aberdeen, Birmingham, Edinburgh, Glasgow, Manchester and Newcastle as well as the recruitment business in London. The advertising business in London has been acquired by Wetley Scott Pockock Advertising.

ICFC SELLS STAKE IN DANKS GOWERTON Industrial and Commercial Finance Corporation has sold its holding of 1.05m shares in Danks Gowerton, representing 13.9 per cent of the issued share capital.

The shares have been purchased by Mr A. J. S. Roe, the Danks' chairman, who is a member of a concert party whose aggregate shareholding has risen from 53.2 per cent to 87.1 per cent as a result of the purchase.

SHARE STAKES Incheape—Director Lord Craigmyle has ceased to have a beneficial interest in 52,050 ordinary shares upon one of his children ceasing to be a minor.

Crest Nicholson—Mr B. A. Skinner has disposed of 38,000 ordinary shares.

American Trust—Edinburgh Fund Managers has notified that its holding of "B" ordinary shares now represents 11.6 per cent (previously 10.7 per cent).

Scottish Ontario Investment Co.—The Courtlands Pensions Common Investment Fund holds 8,655m ordinary (24.1 per cent). The shares are held in the name of the nominee company, Courtlands CIF Nominees.

THE HOKKAIDO TAKUSHOKU BANK LIMITED ("TAKUGIN") US \$20,000,000 NEGOTIABLE FLOATING RATE CERTIFICATE OF DEPOSIT

The Toronto Dominion Bank U.S. \$100,000,000 Floating Rate Debentures February 1992

HUNTING GIBSON/CHARLES BOOTH Offers by Hunting Gibson for Charles Booth closed on August 10. Acceptances amounted to 76.75 per cent of each class of shares, and clearance has been received from the Island Revenue.

NO PROBES LORD COCKFIELD, Secretary of State for Trade, has decided not to refer the following mergers to the Monopolies and Mergers Commission: Barnley Building Society/Provincial Building Society; Pegi Malaysia Berhad/Dunlop Malaysian Industries Berhad; Wolsey-Hughes/Ferguson Enterprises (U.S.); Anglo-Tidimafia Corporation/IVA Industries; and Goldman Sachs and Co (U.S./First Dallas.

HAMILTON OIL Hamilton Oil has announced that formal contracts have been executed on acquisition by a subsidiary of AB Volvo of interests in a number of Hamilton Brothers' companies, including about 10 per cent of the ordinary shares of Hamilton Oil Great Britain. The shares will be acquired from Ferris Hamilton.

EUROPEAN OPTIONS EXCHANGE table with columns for Series, Vol., Aug., Nov., Feb., and Stock prices.

INTERIM RESULTS

Table showing trading results, turnover, trading profit, group profit before taxation, dividends, and exchange rates for 1982 and 1981.

UK ECONOMIC PROSPECT QUARTERLY

This new quarterly publication provides, in alternate issues, three and five year economic forecasts with full commentary and analysis of the fundamental characteristics of the UK economy.

General Accident INTERIM RESULTS. The results for the six months ended 30th June 1982, estimated and subject to audit, are compared below with those for the similar period in 1981, which are restated at 31st December 1981 rates of exchange.

Glynwed International logo and address: Glynwed International plc, Headland House, New Coventry Road, Sheldon, Birmingham B26 3AZ.

MINING NEWS

New Wits and Vogelstruisbult

BY KENNETH MARSTON, MINING EDITOR

TWO OF the Consolidated Gold Fields group's smaller South African mining investment companies, New Wits and Vogelstruisbult Metal Holdings are weathering the economic downturn quite well.

Turnround of £1.07m by Cooper Industries

A TURNROUND OF £1.07m at Cooper Industries has produced pre-tax profits of £49,000 for the year to April 30 1982.

The costly contractions of the group are complete, say the directors. The group was profitable in the second half and indications are that the current year should continue the positive trend.

At half time reduced losses were shown at £392,000 against £442,000. Turnover was £1.9m lower at £7.1m which was mainly because of the disposal of loss-making subsidiaries.

Mixed start in Malaysian tin concentrate outputs

IN THE July tin concentrate output figures published by the mines under the control of Malaysia's Pemas Charter Management, Aokam has made a good start to its current financial year, while the big Malaysia Mining Corporation has done less well.

monthly production figures are not a true guide to a company's progress in view of the international Tin Agreement.

comment

Cooper Industries' adventure with F. H. Lloyd was punished by the sharp increase in interest charges needed to fund that controversial power struggle. But disposing of the Lloyd stake improved the balance sheet.

Orrwell's new graphite find

A FURTHER, and much larger, discovery of natural graphite is claimed by Orrwell Energy in a new area 3,000 ft to the north of the original find near Mont Laurier in Quebec.

So far, approximately 70 per cent of the graphite has been covered as No. 1 and No. 2 flake, with a carbon content of 90-95 per cent, the remainder being made up of smaller flake and fines.

Benn Brothers slips to £1.05m

SLIGHTLY lower pre-tax profits were produced by Benn Brothers, business journal and directory publisher, at £1.05m, against £1.32m, for the year to June 30 1982.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends.

Mr Timothy Benn, chairman, says that the recession is the most severe for 50 years and has continued to affect all the major markets served by the company throughout the year.

Table with columns: Company Name, Date, Time

Yearlings total £19.1m

Yearling bonds totalling £19.1m at 11 per cent redeemable on August 17 1983 have been issued this week by the following local authorities.

Table with columns: Authority, Amount

Irish Shipping makes record profit.

Profits at the Irish Shipping Group last year were the highest achieved since the Company was founded forty one years ago.



Mr. P. H. Greer, Chairman

The year's most significant event was the incorporation of the Group's subsidiary - Oceanbank Developments Limited. Irish Shipping owns 75 per cent of Oceanbank and Allied Irish Banks hold 25 per cent.

Oceanbank owns Irish Continental Line, 36 per cent of Insurance Corporation of Ireland and 51 per cent of Property Corporation of Ireland.

Mr. Greer retired on 30th June, 1982, after more than seventeen years as Chairman.

IRISH SHIPPING LIMITED

Merrion Hall, Strand Road, Dublin 4, Ireland.

Commercial Union Assurance Company plc

The Board announces estimated and unaudited profits for 6 months ended 30th June 1982 of £7.5m (1981 £6.9m) after allowing for taxation.

Table with columns: Category, 6 months ended 30th June 1982, 6 months ended 30th June 1981, Year 1981 Actual

World-wide non-life premium income increased by 19% in sterling terms, but after allowing for the effect of changes in rates of exchange, the underlying growth was 11%.

The underwriting loss for Remainder reflected continued adverse experience in most Western European territories. Overall non-life premium income growth was 8%.

Table with columns: Category, 6 months ended 30th June 1982, 6 months ended 30th June 1981, Year 1981 Actual

The results of the Company's operations have, as usual, been converted at the rates of exchange prevailing at the close of the periods reported.

NEW ZEALAND RAILWAYS CORPORATION advertisement including Eurocurrency loan details and financial information.

DELMAR GROUP PLC advertisement including share capital information and company details.

Net revenue down at Stock Conversion

As expected, revenue before tax for the Stock Conversion and Investment Trust exceeded that of the previous year by rising from £10.8m to £11.28m for the year to March 31 1982.

Brown and Tawse sales volume ahead

Sales of Brown and Tawse for the first four months of the current year were at a higher level than the corresponding period last year.

NOTICE OF MEETING OF HOLDERS OF FLOATING RATE NOTES DUE 1988 TO BE HELD ON AUGUST 20, 1982

GRUPO INDUSTRIAL ALFA, S.A.

NOTICE IS HEREBY GIVEN that a meeting (the "Meeting") of holders of the Floating Rate Notes due 1988 (the "Notes") of Grupo Industrial Alfa, S.A. (the "Company") will be held at the offices of Bankers Trust Company.

(1) For Noteholders to consider a report to be made at the Meeting by officers of the Company on the current financial condition of the Company and the proposed restructuring of the Company's external debt, including the status of the Company's negotiations with its other lenders and a moratorium the Company has imposed on payments to certain creditors.

Table listing agents for Bankers Trust Company in various international locations including London, Zurich, Brussels, Frankfurt, and Luxembourg.

Companies and Markets

CU moves back into black midway

THE Commercial Union Assurance Company moved back into pre-tax profits for the first half of this year with £14.2m against £41.2m last year. This follows a first quarter where the group recorded a small pre-tax loss.

The group continued to experience declining operating conditions in the second quarter, with results worsened by bad spring weather in the U.S. Underwriting losses almost doubled in the second quarter from £28.8m to £52.3m, bringing total losses in the first six months to £117m against £57.3m last year.

annual valuation brings the attributable profits to £38.1m. The CU is maintaining its interim dividend at 4.85p per share — a departure from its normal practice of calculating the interim dividend as 45 per cent of the previous year's total payments.

underwriting results with losses in the second quarter tripling from £2.1m to £5.4m. This brought losses in the six months to £20.5m against only £100,000 last year.

Smith & Nephew improves to £15m

PRE-TAX PROFITS at Smith & Nephew Associated Companies in the 24 weeks to June 19 1982 were up from £13.0m to £14.9m, on sales, excluding associated companies, increased from £113.2m to £131.92m.

Second quarter profits advanced from £5.95m to £8.01m. Interest charges rose slightly from £2.8m to £2.9m, and associated companies' contributions slipped from £2.63m to £2.12m.

Charter's operating side is still doing well

BY KENNETH MARSTON, MINING EDITOR

AGAINST the generally sombre economic background Mr J. N. Clarke, chairman of London's Charter Consolidated Industrial and Mining Group, was able to offer his shareholders some comfort at the annual meeting.

Mr Clarke said that the agreement to acquire from St Piran 66.24 per cent of South Crofty, which operates a tin mine in Cornwall and has rights to explore over additional areas, "depends upon certain conditions being fulfilled within a relatively short period of time."

Charter will extend the offer on the same terms—as yet undisclosed—to all the other shareholders in South Crofty. Among these holders is the Rio Tinto-Zinc group with a stake of some 10 per cent. RTZ's other Cornish tin interests include a 17.9 per cent stake in Geevor and full ownership of Wheal Jane mine which started production in 1971 under the auspices of the previous owner, Consolidated Gold Fields.

M. L. Holdings advances but warns on year-end

PRE-TAX PROFITS of M.L. Holdings in the year to March 31, 1982, rose by 6.6 per cent from £1.1m to £1.2m, on turnover slightly reduced from £25.5m to £25.35m. The directors are recommending a same-gain net final dividend of 5p per 25p share, maintaining the payout for the year at 7p.

Earnings per ordinary share of this holding company with manufacturing engineering interests are stated at 31.56p (31.05p on weighted average capital).

Smith and Nephew's quarterly advances have become so routine that the temptation to search for looming pitfalls is irresistible. Mexico, with its vanishing peso, is the obvious choice and will most likely do a fair amount of damage to the UK's associate income in the full year.

Philippines mines use aid plan

THE Philippine Central Bank has announced that eight gold and silver producers there availed themselves of its financial assistance package between May 6 and July 31 this year, thereby realising a combined additional income of pesos 2.1m (£146,000), reports Leo Gonzaga from Manila.

The assistance plan allows a company to sell its precious metal production to the bank, but leaves the company with an option to re-purchase within 90 days.

Under the facility, the bank bought for Pesos 48,05m roughly 18m oz of gold and 2.4m oz of silver from the eight companies. They subsequently repurchased the metals from the bank for Pesos 50.9m, then resold later to the bank for Pesos 53m.

Hammersley walk-out

THE entire workforce at the Rio Tinto-Zinc group's Hammersley Holdings' Paraburdoo iron ore mine in Western Australia is reported to have walked out on an indefinite strike.

He said that some workers at Tom Price had already walked out.

LONDON TRADED OPTIONS table with columns for Option, Exercise price, Closing price, Vol., etc. Includes various call and put options for companies like BP, Shell, and others.

More than three quarters of the group's profits came from its defence business in the past year.

Aeronautical & General falls to £519,437

Depressed pre-tax figures are shown by Aeronautical and General Instruments falling from £707,955 to £519,437 for the year to March 31 1982. Turnover of this maker of reconnaissance systems rose from £7.42m to £8.86m.

The net dividend has been held at 3.5p. Earnings per 25p share are given as rising from 11.35p to 12.83p.

Revenue falls at Fleming Mercantile

Net revenue of the Fleming Mercantile Investment Trust advanced from £1.78m to £2.05m in the first half to July 31 1982, while stated earnings per 25p share moved ahead from 1.27p to 1.5p.

Revenue falls at Fleming Mercantile

Revenue falls at Fleming Mercantile

Revenue falls at Fleming Mercantile

Marston's BREWERS OF TRADITIONAL BURTON BEERS INCLUDING THE RENOWNED PEDIGREE PALE ALE Results for the Year to 31st March, 1982. Includes financial summary table and marketing text.

Broadstone Trust slips to £508,987. Net earnings of the Broadstone Investment Trust slipped from £525,628 to £508,987 in the first half of 1982.

ASIAN DEVELOPMENT BANK Manila, Philippines DM 150,000,000 9 1/4% Deutsche Mark Bonds of 1982/1992 II. Includes offering details and a list of participating banks.

UK COMPANY NEWS

GOLD FIELDS GROUP

VOGELSTRANSBULT METAL HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

INTERIM REPORT 1982

The unaudited consolidated profit for the six months ended 30 June 1982 is as follows:

Table with 3 columns: Six months ended, Six months ended, Year ended. Rows include REVENUE, EXPENDITURE AND AMOUNT WRITTEN OFF, PROFIT BEFORE TAX, PROFIT AFTER TAX, and Earnings per share.

DECLARATION OF INTERIM DIVIDEND

Table with 3 columns: At 30 June 1981, At 30 June 1982, At 30 June 1983. Rows include Stock Exchange value, Book value, Excess over book value, and Book value of unlisted investments.

(b) Dividend No. 70 of 11 cents per share absorbing R1,686,000 was declared and paid during the period.

DECLARATION OF INTERIM DIVIDEND

Dividend No. 71 of 5.0 cents per share has been declared in South African currency, payable to members registered at the close of business on 27 August 1982.

Warrants will be posted on or about 28 September 1982. Standard conditions relating to the payment of dividends are obtainable from the share transfer offices and the London Office of the company.

Requests for payment of the dividend in South African currency, by members on the United Kingdom register must be received by the company on or before 27 August 1982 in accordance with the above-mentioned conditions.

The register of members will be closed from 28 August to 3 September 1982, inclusive. Registered and Head Office: Gold Fields Building, 75 Fox Street, Johannesburg 2001.

On behalf of the board B. R. van Rooyen Chairman, Directors A. J. Weideman, United Kingdom Registrar Hill Samuel Registrars Limited, 6 Greenock Place, London SW1P 1PL

GOLD FIELDS GROUP

NEW WITWATERSRAND GOLD EXPLORATION COMPANY, LIMITED

(Incorporated in the Republic of South Africa)

PRELIMINARY ANNOUNCEMENT OF RESULTS

The audited consolidated profit for the year ended 30 June 1982 is as follows:

Table with 3 columns: Year ended 30 June 1981, Year ended 30 June 1982, Year ended 30 June 1983. Rows include REVENUE, EXPENDITURE AND AMOUNT WRITTEN OFF, PROFIT BEFORE TAX, PROFIT AFTER TAX, and UNAPPROPRIATED PROFIT.

DECLARATION OF FINAL DIVIDEND

Dividend No. 63 of 28.0 cents per share in respect of the year ended 30 June 1982 has been declared in South African currency, payable to members registered at the close of business on 27 August 1982.

Warrants will be posted on or about 28 September 1982. Standard conditions relating to the payment of dividends are obtainable from the share transfer offices and the London Office of the company.

Requests for payment of the dividend in South African currency, by members on the United Kingdom register must be received by the company on or before 27 August 1982 in accordance with the above-mentioned conditions.

The register of member will be closed from 28 August to 3 September 1982, inclusive. Registered and Head Office: 49 Moorgate, London EC2R 6BQ.

United Kingdom Registrar: Hill Samuel Registrars Limited, 6 Greenock Place, London SW1P 1PL. 11 August 1982

Companies and Markets

Tricentrol second quarter fall

FIRST HALF taxable profits of Tricentrol declined from £24m to £23.4m following a £1.31m shortfall in the second quarter to £10.74m, compared with the corresponding period a year earlier.

Oil production from the Thistle Field, in which Tricentrol has a 9.65 per cent interest, rose to 11.48m barrels in the second quarter, compared with 10.87m previously, raising the six months' total to 23.51m barrels (21.63m).

Ocean Transport loses ground at midterm

AT THE trading level, profits of Ocean Transport and Trading were unchanged at £17m, for the six months ended June 30 1982, but this ship-owning, freight forwarding and agency concern, fell behind from £12.5m to £10.9m at the pre-tax stage.

Annual results, directors said that with a more stable labour situation in Southampton group profits would improve in 1982, but in general Ocean could still be held back by continued sluggishness of world trade.

Crouch Group picks up to end with £0.58m

SECOND HALF pre-tax profits of international property development and construction concern, Crouch Group went ahead from £259,000 to £417,000 and left the figures for the full year ended March 31 1982, at £578,000, compared with a previous £490,000.

is proving successful, with over 100 units sold in the first six months, the directors point out. Group borrowings after the year-end were reduced by £2.5m through receipt of the proceeds of the sale of the Leatherhead development.

New outlets envisaged as Kennedy Brookes advances

PRE-TAX profits at Kennedy Brookes, caterer and restaurateur, rose from £35,189 to £189,243 in the half-year to April 30 1982. Turnover rose substantially from £1.28m to £3.23m. The interim dividend is raised from 0.5p to 0.75p gross — the year's gross total was 1.5p.

Delmar USM placing

Speedwell Gear Case is returning to the London Stock Exchange but this time under the name Delmar Group and on the United Securities Market.

Wm. Jackson plunges to £1m year end

Taxable profits of William Jackson and Son ended the year to April 24, 1982 sharply lower at £1.06m, compared with £2.25m previously, following a £654,000 shortfall after six months to £693,000.

Charterhouse Japhet International Finance B.V. U.S. \$10,000,000

GUARANTEED FLOATING RATE NOTES 1985 Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the six months from 11th August, 1982 to 11th February, 1983 the Notes will carry an interest rate of 14 1/2 per annum.

Rotaflex declines to £410,000 for first six months

A FLAT economy contributed to the fall in pre-tax profits at Rotaflex from £780,000 to £410,000 for the first six months to June 10 1982, according to Mr Michael Frye, chairman.

UK ECONOMIC INDICATORS

Table with columns: 1981, 2nd qtr, 3rd qtr, 4th qtr, Dec, 1982, 1st qtr, 2nd qtr, Jan, Feb, March, April, May, June, July. Rows include Industrial production, Retail sales volume, and Unemployed.

EXTERNAL TRADE—Indices of export and import volume

Table with columns: 1981, 4th qtr, Sept, Oct, Nov, Dec, 1982, 1st qtr, 2nd qtr, Jan, Feb, March, April, May, June, July. Rows include Export volume, Import volume, Visible balance, Current balance, Oil balance, Terms trade.

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufactured products

Table with columns: 1981, 2nd qtr, 3rd qtr, 4th qtr, Oct, Nov, Dec, 1982, 1st qtr, 2nd qtr, Jan, Feb, March, April, May, June, July. Rows include Earnings, Basic materials, Wholesale prices, RPI, Food prices, FT.

THE CITY OF Edmonton

C\$62,512,180 Medium Term Loan To finance a contract with GEC Turbine Generators Limited and GEC Canada Ltd.

Arranged by J. Henry Schroder Wagg & Co. Limited with the Payment Guarantee of Export Credits Guarantee Department of the United Kingdom

MIDGLEY & CATTON

Mr Martin Bird and Mr Alan Farrow have been appointed joint managers and receivers of Midgley & Catton, knitting wool manufacturer, of Cragg Mills, Bradford.

The company is to continue to trade while the joint managers assess the situation with a view to selling the business as a going concern.

Forward Trust DEPOSIT RATES

Depositors are advised that with effect from August 13th 1982 the following rates will apply to deposit accounts with Forward Trust Limited.

Table with columns: Notice of withdrawal, 1 month, 3 months, 6 months, 12 months. Rows include Deposits of £1-£50,000, £50,000-£125,000, £125,000-£500,000, £500,000-£1,000,000.

FORWARD TRUST GROUP A member of Midland Bank Group For further information apply to: Forward Trust Limited, Deposit Department, 12 Colthorpe Road, Birmingham B15 1JQ. Telephone: 021-494 6141.

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Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

Cruel summer for Wall St brokers

THE COLLAPSE of the U.S. stock market this summer may have blown a big hole in investors' portfolios. But it has also been crucial to stockbrokers' profits. Many of Wall Street's biggest firms have just reported sharp declines in earnings for the second quarter of this year, ending June 30.

The way the stock market has sagged further since then suggests that third quarter profits will not be that rosy either—especially given the huge losses many firms suffered from the cancellation of the Gulf-Cities Service merger last week, on which they had gambled millions.

The Dow Jones Industrial Average, which was at its high point of the year at about 870 in May, fell below 780 this week as investors succumbed to profound gloom about the economic outlook. This was the stock market's lowest point since early 1980, nearly two-and-a-half years ago.

A slump of this order deals a double blow to stockbrokers. It brings them losses on their trading accounts, and it sharply reduces their revenue from trading commissions.

For Merrill Lynch, the giant of the Wall Street stockbroking business, the result was a near halving of profits. The company earned \$33m in the second quarter, down from \$68m in the same period last year. Mr

Roger Birk, chairman, and Mr William Schreyer, president, summed up the reasons: "The continued economic uncertainty has induced many individual investors to minimise their activities in the stock market and look more to alternative investments, especially in short-term and other fixed income instruments."

E. F. Hutton, another major retail broker, suffered a sharp fall as well, to \$7m which was only one-third of the \$21m it earned in the same period last year. Mr Robert Fomon, the chairman, blamed "lacklustre retail interest in stocks."

Poor results were also reported by Dean Witter, now part of the Seary Roebuck Empire, and Shearson, similarly absorbed into the huge American Express financial services conglomerate. Dean Witter reported a loss of \$4.1m in the second quarter, bringing its total losses so far this year to \$14.3m. This was the poorest performance among the major brokerage houses, most of which have been able to stay in the black, even if profits are down—though Sears has lumped Dean Witter in with its savings banks, whose large losses dragged down the division. Shearson was down 20 per cent at \$24m.

The picture was not entirely dark. Among the large retail brokers, Paine Webber managed to record a 38 per cent gain in profits compared to the same period last year. But the comparison is a little misleading. Last year, profits were down sharply in the second quarter after Paine Webber miscalculated the course of interest rates and took large losses in the bond market.

First Boston also did well. The firm more than doubled profits

publishes its results. But people within the firm say earnings have been badly hit by the decline in trading turnover on the markets.

Phibro-Salomon, which has included Salomon Brothers, the bond trading and investment bank, since last winter, does not give details of earnings. But Phibro indicated rather coyly in its second

quarter report: "Profits derived from the securities operations of Salomon Brothers were on a par with their first quarter."

The poor profit performance of the merged brokerage firms has prompted speculation that their new parents may be a little disenchanted with their purchases. But when questioned, the parents insist that they acquired the stockbroking firms with an eye on the long term, knowing that Wall Street earnings are, almost by definition, highly volatile.

The picture was not entirely dark. Among the large retail brokers, Paine Webber managed to record a 38 per cent gain in profits compared to the same period last year. But the comparison is a little misleading. Last year, profits were down sharply in the second quarter after Paine Webber miscalculated the course of interest rates and took large losses in the bond market.

in both the second quarter and the first half of the year, bringing them to record levels. But First Boston is not strictly comparable. It relies less than the big brokers on market trading for its revenues. Instead, it has concentrated on developing its corporate finance, and mergers and acquisitions business, and has earned large fees from the recent merger mania, as well as from underwriting securities issues.

Many firms on Wall Street are private, so their profit performance goes unrecorded. But the strains have showed in some cases. A. G. Becker, the large private investment firm which is part of Warners-Paine-Becker, suffered a loss of \$2m in the first eight months of this year, forcing its parents to provide a fresh capital infusion. The failure of Drysdale Government Securities, though a spectacular exception, was another symptom of hard times on Wall Street.

Brokerage executives say that turnover on the New York Stock Exchange must average more than 50m shares a day to make the broking business consistently profitable. For much of this year, volume has been running at about 45m shares. Trading in the bond and commodity markets has also been subdued, though the former has picked up slightly since interest rates started to come down.

Wall Street has always been a feast or famine business. But stockbrokers are trying to build up less volatile sources of income, mainly by shifting away from commission-based revenue (like securities dealing) to fee-based services, such as mutual funds, investment banking, and even new lines like insurance and real estate.

In its earnings report, Merrill Lynch made a point of saying that it was striving to hold on to its customers by offering them alternative investments, like money market funds, while they retreat from the stock market. "But it's well-known that in our industry stock market activity has proportionately the greatest impact on financial results," it added.

Sharp drop in second quarter at Cigna

By Our New York Staff

CIGNA, the large U.S. insurance company, reported a sharp drop in second quarter earnings yesterday. Net income was \$118.4m or \$1.54 a share, down 30 per cent from \$171m or \$2.20 a share in the second quarter last year. Revenues were \$2.85bn against \$2.88bn.

In the first six months of this year, Cigna earned \$175.7m, or \$2.27 a share, down from \$315.4m or \$4.09 a share. Revenues were \$5.69bn, against \$5.31bn.

Cigna emerged from the recent combination of INA and Connecticut General to become one of the largest publicly held insurance companies in the U.S.

A breakdown of its earnings showed that declines came in both its major lines of business—its employee benefits and financial services groups, and its property and casualty insurance group.

Cities Service hunt for suitor continues

By PAUL SETTS IN NEW YORK

CITIES SERVICE, the large U.S. oil company, continued to be at the centre of speculation over its attempts to find a new partner to replace Gulf Oil, which abruptly called off its proposed \$5bn acquisition of Cities Service last Friday.

Cities Service's investment bankers, First Boston and Lehman Brothers Kuhn Loeb, have been approaching several companies to see whether they are interested in a combination of the two firms.

After Allied Corporation, the diversified chemicals and energy group, said on Tuesday it had analysed Cities Service but concluded it was not interested in a deal, there was speculation yesterday that Union Oil of California might be planning a swap of assets.

Continued speculation has been helping to prop up Cities Service shares.

The stock was trading at around \$31 on the New York stock market yesterday morning, but it points below yesterday's close. Although the worst fears of Wall Street pro-

fessionals have so far not materialised—a there has been talk that the stock might drop as low as \$25 or even \$22—the level of Cities Service shares continues to threaten huge paper losses to investors. Many bought when the stock was trading between \$50 and \$60 on the expectation that Gulf would consummate the deal.

Cities Service is now suing Gulf for \$30m in damages for alleged breaches of contract. At the same time, a shareholder has also filed suit against Gulf for \$30m in damages for alleged breaches of contract.

A whole string of other suits are expected to be filed by Cities Service shareholders. Cities Service has said it is contemplating an orderly liquidation should it be unable to find a new partner relatively soon.

Mexican companies seek debt rescheduling

By Alan Friedman

SEVERAL Mexican private sector companies have invited foreign banks to discuss rescheduling their debts, following last week's decision by the Mexican Government to introduce a two-tier exchange rate system.

The problem facing the private companies is that under the new system, the preferential government-subsidised pool rate will only be available for the repayment of interest and not for principal. The Mexican private sector foreign debt is estimated at \$18bn-\$20bn.

One big U.S. bank, heavily involved in lending to Mexico, said last night that discussions had begun on the restructuring of liabilities for several companies. "We would have needed to reschedule debt for some companies anyway, but the devaluation of the peso has compounded problems."

This was because the companies could not afford to service dollar debt at the floating rate of around 80 pesos to the dollar. The preferential rate is around 48 pesos to the dollar.

Problems are most severe for companies which are not sufficiently capitalised and which have large outstanding dollar debt. They have been trapped by the devaluation last week, said one banker.

Another U.S. bank said it had been invited to meetings with "half a dozen companies" next week in order to discuss "the reorganisation of private sector debt."

Among the possible debt restructuring plans will be the option for some banks of postponing principal repayments which fall due this year and in the early part of 1983.

Mexican Eurocredit withdrawn, Page 28

Danish D-mark issue withdrawn

By OUR EUROMARKETS STAFF

THE Mortgage Bank of Denmark has withdrawn from the Euro market a DM 100m 10-year bond issue, after a poor reception in West Germany.

WestLB, the lead manager, said the issue had been postponed because of unfavourable market conditions. The Danish bank launched the issue last Thursday, had carried indicated terms of a 9 1/2 per cent coupon at 99. But it changed hands at 97, yielding nearly 10 per cent.

The coupon was seen as too low by the market. It is expected to be replaced by a DM 100m seven-year issue for Black and Decker, the U.S. tool company. This is the company's

Commerzbank is lead manager. In secondary trading Europe's bond markets were extremely quiet yesterday and prices in the D-mark and Swiss franc sectors closed unchanged.

In the Eurodollar bond market, prices closed at a point lower after little activity. Warrants issued by the Bank of America at 100 pressed prices levels. The Du Pont warrants stood at \$25 to debut in the D-mark sector, and the Single A paper has been priced with a 9 1/2 per cent coupon at 99 1/2 to yield 9.23 per cent.

AT & T is arranging a \$350 million Bank of America Paribas Savings Bank issue. Hambros Bank, Morgan Grenfell and Société Générale.

In the Dutch guilder bond market, the World Bank is raising Fl 250m through the issues of a 10-year 11 per cent issue, managed by Algemeen Bank Nederland.

Société Nationale Elf Aquitaine, the French energy group, is arranging a £100m sterling acceptance credit, its first, through County Bank and Kleinwort Benson. The five-year credit carries acceptance commissions of 1/2 to 1 per cent.

Participating banks are Bank of America, Bank of Tokyo, Banque Indosuez, Paribas, Savings Bank, Hambros Bank, Morgan Grenfell and Société Générale.

Hutton recruits bond traders

TWO OF Manufacturers Hanover Trust's top Eurobond traders have been recruited by E. F. Hutton, the U.S. brokerage house, to develop Hutton's international bond business, writes Alan Friedman.

Mr Tony Dyson, Manufacturers Hanover's assistant managing director and head of Eurobond trading, and Mr David Dohy, an associate director and chief trader, are to join Hutton shortly. Mr Dyson will become head of

Hutton's international capital markets division. "We are going to expand and emphasise their international bond operation," Mr Dyson said.

Mr Dyson is not a force in the Eurobond market and until yesterday showed no sign of expanding its operation. Mr Dyson, who has been with Manufacturers Hanover for seven years, said he believed it was possible for Eurobond houses to make profits if properly managed.

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NORTH AMERICAN QUARTERLIES

Table with columns for companies like ALGOMA STEEL, BRIGGS & STRATTON, CARNATION, COASTAL CORPORATION, GULF RESOURCES/CHEMICALS, etc. Each row shows financial data for 1982 and 1981.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday August 18.

Large table listing international bond issues with columns for U.S. Dollar, Change on day, Bid, Offer, day, week, Yield, etc. Includes sections for U.S. Dollar, Floating Rate, and Convertible.

CENTROBANCA BANCA CENTRALE DI CREDITO POPOLARE U.S. \$62,684,391 MEDIUM TERM LOAN FACILITY. Includes logos and contact information for various international banks.

Vertical text on the left margin: F.T., Blue, North, Brady, Culler, Hoax, Notifi, Phon, Rank, Record, Reed, Standa, Turner, Wagon, I SAY, day, d, train, side, w, about, gold, c, Wester, tralia, the, th, beautif, collect, it, up, Sure, Labor, to new, investo, to pove, ing, of, by the, Govern, big, fat, in this, in the, Panam, and Get, They, week, claimed, that, Rep, the, No, partmen, suggeste, Jabunka, prospect, potentia, has been, to be, It was, Australian, uranium, priced, at, pound, prices, at, this, in, like, rem, years, to, Jabulu, tract, at, the, part, arrange, of, Govern, mining, p, not, mean, was, unak, in, the, Mr, Ton, tancon, iringly, oments, le, main, abiluka's, oining, t, a, posit, security, ratagic, While, biluka, ng, to, a, ng-term, ight, be, w, dolla, sure, s, in, scrat, ers, in, rket, Significa, timental, ch, of, Europ, mtries, i, newitabl, 1982/83

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Companies and Markets

INTL. COMPANIES & FINANCE

Cii blames debt charges for rise in first half loss

BY DAVID WHITE IN PARIS

CII Honeywell Bull, the computer group recently brought under more direct French control, has blamed the high cost of financing its debts for a towering loss of FF 491m (\$70m) before tax in the first half of this year.

This is more than the total 1981 debt of FF 430m, and almost twice the previous first half loss of FF 251m. In 1980, the group had made a profit of FF 180m.

Saurer forms research unit with Iveco

ADOLPHE SAURER, the Swiss engineering group, is to cooperate with the Italian truck maker Iveco in the field of diesel-engine research. The companies, which already work together in the commercial-vehicle field, are to participate in a Swiss research and development company with a stake of 40 per cent each.

Dutch offshore equipment group boosts first half

BY WALTER ELLIS IN AMSTERDAM

IHC INTER, the Dutch holding company with a majority stake in the offshore exploration equipment market, made a net profit of Fl 16m (\$5.8m) in the first six months of this year, compared with Fl 10.1m.

The greater part of the increase was attributed to net exchange profits on operational activities, several of which are accounted in dollars. It was difficult to predict whether the excess of exchange profits over exchange losses could be maintained for the rest of the year, said the company.

Net profit for 1982 would match last year's total of Fl 21.2m as forecast, and perhaps even show a slight improvement. By December the company expected the value of orders received to reach some Fl 300m, on a par with 1981.

Argentina payments to Dutch builder resumed

BY WALTER ELLIS IN AMSTERDAM

ARGENTINA has resumed progress payments to Boskalis-Westminster, the Dutch construction group which is owed \$1.2bn against the almost completed contract to build a 2,000 km pipeline for Gas de Estado.

Partly because of Dutch support for the recent EEC embargo on trade with Argentina, imposed during the Falkland crisis, but principally because of economic problems, Buenos Aires had missed one repayment completely and paid several others late. There were fears that the situation might worsen, to the detriment of Boskalis shares.

Now, however, the managing director of Boskalis, Mr Harrie Verwaal, says that part-

payments have been resumed and that he expects all arrears to be made good. Argentina, he adds, "is a credit-worthy country in the long-term," and one which is contractually bound to compensate Boskalis for any loss of interest caused by defaults in payments.

The pipeline is expected to be completed in September, about a year ahead of schedule, and Boskalis will manage and operate it for the first 15 years of its life.

Mr Verwaal said yesterday that the board of Boskalis remained optimistic about profits for 1982. No figures will be available until September, but the company has said that it will improve on last year's low earnings of Fl 20m.

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RWE to maintain dividend

BY OUR FINANCIAL STAFF

RWE, the West German electricity utility, plans to pay an unchanged dividend of DM 8 a share for the year ended June 1982.

Group sales rose by 12 per cent to DM 22,000m (\$9bn) with the electricity business contri-

buting 55 per cent of the total. The company suffered "larger" losses in its chemical and mineral divisions. Electricity prices were increased by 7 per cent at the start of the year to compensate for rising business costs.

New rail site to cost MTRC HK\$1.8bn

By Robert Cottrell in Hong Kong

HONG KONG'S Mass Transit Railway Corporation is to pay its Government HK\$1.8bn (US\$285m) for a Central district site which forms part of the route for its new underground railway line on Hong Kong Island.

Although the MTRC is itself government-owned, it is developing the commercial potential of the site in joint venture with a private sector consortium led by Hang Lung Development, a quoted local property company.

The Hong Kong Government, as freeholder, assesses the premiums payable for MTRC sites on a commercial basis. The private-sector partner of the joint venture provides the MTRC with station facilities, and the two parties divide revenues arising from commercial development of the space above.

The new MTRC site, Admiralty Two, is one of 14 planned Island line stations. It is near the Murray Road car park site which the Government recently granted to the Peking-owned Bank of China for a new local headquarters.

The Admiralty price underscores the generosity of the Government's deal with Bank of China, made by private treaty. The 6,200 square metre Admiralty site is smaller than the 6,700 square metre car park, yet the Bank of China is paying only HK\$1bn for its new site.

The HK\$1bn price tag is little more than nominal, since Bank of China also receives a "soft" financing package of 13-year money at 6 per cent, which local bankers estimate reduces the effective cost of the site by two-thirds.

The Hong Kong Government maintains that the HK\$1bn figure represents a "full market value" for the site, taking into account a restrictive covenant preventing the building from being resold or leased.

The local property sector believes, however, that the Government could have secured a significantly higher price on the open market. Uncertainty over the nature of the Bank of China deal was a major factor in the Hong Kong stock market's precipitous decline on Monday.

Singapore bank 37% ahead

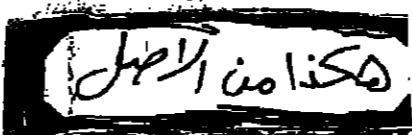
By Our Singapore Correspondent

DEVELOPMENT BANK OF SINGAPORE, one of the republic's big four, has chalked up a 37 per cent rise in group pre-tax profit to S\$105.5m (US\$49m) for the half-year ended June.

Group net profit rose by 41 per cent to S\$65.1m following a tax bill up by 31 per cent to S\$40.2m. Total operating income rose by 25 per cent to S\$531.9m.

The parent bank itself grew at a slower pace, with pre-tax profit rising by 24 per cent to S\$86.5m and net profit by 28 per cent to S\$55.4m.

DEBS has declared an interim gross dividend of 8 per cent. Total assets of the group at the end of June stood at S\$1.9bn, up 37 per cent from a year earlier.



U.S. \$40,000,000

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J. HENRY SCHRODER BANK AND TRUST COMPANY

SPAREBANKEN OSLO AKERSHUS

STATE BANK OF INDIA

SUMITOMO TRUST INTERNATIONAL LIMITED

August 6, 1982

All of these securities have been sold. This announcement appears as a matter of record only.

\$250,000,000

J.P. Morgan International Finance N.V.

Guaranteed Floating Rate Subordinated Notes Due 1997

For the three months 12 August, 1982 to 12 November, 1982:

the Notes will carry an interest rate of 12 1/8 per cent per annum.

Interest payable on the relevant interest payment date, 12 November, 1982 against Coupon No. 2 will be U.S.\$330.63

By: CITIBANK N.A., London

Agent Bank

Weekly net asset value



Tokyo Pacific Holdings (Seaboard) N.V.

on August 9th 1982, U.S. \$49.06

Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson N.V., Herengracht 214, 1016 BS Amsterdam.

A wholly owned subsidiary of

Alghanim Industries

has acquired

The Jobbers Supply Division

of

Congoleum Corporation

The undersigned initiated this transaction and acted as financial advisor to Alghanim Industries.

The First Boston Corporation

Credit Suisse First Boston Limited

July 29, 1982

All of these securities having been sold, this advertisement appears as a matter of record only.

July 29, 1982

4,000,000 Shares

Aetna Life and Casualty Company

Cumulative Floating Rate Preferred Stock (Stated Value \$50 Per Share)

The dividend rate through September 30, 1982 will be 13.20% per annum. For each quarter thereafter, dividends will be at the rate of .90% below the highest of the three-month U.S. Treasury bill rate, U.S. Treasury ten-year constant maturity rate and U.S. Treasury twenty-year constant maturity rate, determined in advance. However, the dividend rate for any quarter will in no event be less than 7.50% or greater than 15.25% per annum.

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Companies and Markets **INTL. COMPANIES & FINANCE**

This announcement appears as a matter of record only.

June, 1982

**\$68,000,000**

**China Airlines, Ltd.**

(Lessee)

**Leveraged Lease Financing of one Boeing 747SP Aircraft**

**AIG Equipment Lessors, Inc.**

**Bankers Trust Company**

**Continental Illinois Leasing Corporation**

**Republic National Leasing Corporation**

**Security Pacific Leasing Corporation**

(Owner Participants)

Debt provided in yen by

**Orient Leasing Co., Ltd.**

**Japan Leasing Corporation**

(Lead managers for vendors)

**Mitsui Leasing and Development, Ltd.**

**Showa Leasing Co., Ltd.**

**Central Leasing Company, Ltd.**

**Hitachi Lease Co., Ltd.**

**IBJ Leasing Co., Ltd.**

**Tokyo Lease Co., Ltd.**

(Vendors)

The undersigned initiated this transaction and arranged the participation of both the owner participants and the lead managers for the vendors.

**Bankers Trust Company**

**Seatrains Lines plans to restructure**

By Paul Taylor in New York

SEATRAINS LINES, the New York shipping company which agreed to go into bankruptcy under pressure from a group of Italian creditors in February 1981, has filed a reorganisation plan under which a new privately-held tanker company would be formed.

A group of the company's executives and banks would take control of the six remaining tankers in return for paying off debts of about \$300m, including \$400m in loans and guarantees owed to the U.S. Government.

The company at one stage ran a fleet of more than 50 ships before mounting losses and a petition from three small Italian port companies which were owed more than \$11m forced it to seek protection under Chapter 11 bankruptcy proceedings. It filed the reorganisation plan with the U.S. bankruptcy court for the southern district of New York.

The plan, based on a tentative agreement reached in July 1981, would give unsecured creditors and bondholders with outstanding claims totalling about \$225m a 33 per cent stake in the new company.

Chase Manhattan, Seatrain's major banker which has owed about \$150m when the company filed for protection, would receive about 16 per cent of the shares. Current shareholders would be left with 51 per cent.

Mr Arvin executive vice-president, said yesterday that the plan would ensure that the Government was repaid in full. Unsecured creditors would only get "a fractional amount" but would receive shares in the reorganised company.

**U.S. bank creditors seek to sell Braniff aircraft**

BY DAVID LASCELLES IN NEW YORK

U.S. BANK CREDITORS have begun the unenviable job of trying to salvage something from the bankruptcy of Braniff International by selling some of its aircraft when the market is not at its liveliest.

Eight major banks are co-owners through a trust of seven Braniff Boeing 727-200 jets which they received in exchange for a portion of a debt owned to them by Braniff

Realty, a subsidiary of Citicorp Industrial Credit (CIC), the finance subsidiary of the large New York bank, and USAir, the Pittsburgh-based domestic airline.

When Braniff Airways, the company's operating subsidiary, ceased operations on May 12, it had assets of \$760m and debts of \$750m. The assets included aircraft which were

valued at 65 per cent of their original cost, a write-down which some observers said was too little, given the weak world market for second-hand aircraft.

The eight banks in the group are Citibank, Bankers Trust, Continental Illinois, First National Bank of Dallas, Manufacturers Hanover, Chase Manhattan, Marine Midland and Chemical Bank.

**\$50m Mexican state Eurocredit postponed**

BY ALAN FRIEDMAN

MEXICO'S financial authorities have withdrawn from the international credit market a \$50m three-year credit for CONASUPO, the Mexican state food products marketing agency.

Mr Martin Schubert, president of Rosenthal International, the New York-based investment banking company, said last night he had been asked to postpone temporarily the CONASUPO credit "because of unsettled market conditions."

The reason for the unsettled market was the uncertainty resulting from last week's introduction of a two-tier exchange rate system.

The two-tier system involves a preferential peso-dollar exchange rate, which stood yesterday at 49 pesos to the dollar, and a free floating rate, which was at 80 to 82 pesos to the dollar. The preferential rate is available only for essential imports and for the repayment

of public sector debt and private sector interest.

Because the preferential rate is not available to private companies making principal repayments bankers are expecting the renegotiation of a significant part of the private sector debt which falls due in the next 12 months. This could be as much as half of the \$18bn to \$20bn of private sector debt. Public sector Mexican foreign debt totals about \$60bn.

In London, Banc o'Nacional de Mexico said it was nearing completion on a \$150m short-term Eurocredit for the Government of Mexico. The United Mexican States (UMS) deal offers lenders the option of a six-month or twelve-month loan. Interest will be 1 per cent above the London interbank offered rate (Libor) or 1 per cent above the U.S. prime rate for six months, and one per cent over Libor (1 per cent over prime) for 12 months.

**Marginal rise in earnings at Highveld Steel**

By Our Johannesburg Correspondent

HIGHVELD STEEL, and Vanadium Corporation, the South African steel and ferro-alloys manufacturer, has reported 6 per cent growth in net attributable profit to R51.5m (\$45m) for the 12 months ended June 30 despite a further deterioration in domestic and international steel markets.

Highveld became a subsidiary of Anglo American Corporation (AMC) following the merger earlier in the year of AMIC and De Beers Industrial Corporation. The company subsequently changed its financial year-end to December 31. Pre-tax profit for the 12 months was R75.2m against R72.2m in the prior 12 months. Turnover rose from nearly R333m to R376.7m. Export sales reached a record R173.7m compared with R116.4m.

A second interim dividend of 15 cents a share has been declared following a first interim payout of 11 cents. The final dividend should be not less than 22 cents, the board said, which would bring the total for the 12 months to December to 48 cents against 32 cents for the previous year.

**Arab Insurance board changes**

TOP-LEVEL changes have taken place at Arab Insurance Group (ARIG), which started re-insurance operations in Bahrain a year ago. ARIG is jointly owned by the governments of Kuwait, Libya and the United Arab Emirates, and has an authorised capital of US\$3bn with US\$150m paid-up. Mary Frings reports from Bahrain.

Mr Fawzi Musaad Al-Saleh, a leading Kuwaiti businessman who was the group's first chairman, has resigned from office but retains his seat on the board. He has been replaced by Mr Khalil Al-Shamy. At their board meeting in Bahrain last Thursday, the directors of ARIG also accepted the resignation of Mr Ali Al-Bedah, who was appointed president only eight months ago but left Bahrain in June.

**Finance costs limit growth at RENNIES**

By Our Johannesburg Correspondent

RENNIES Consolidated Holdings, the South African conglomerate which is 52 per cent owned by Jardine Matheson of Hong Kong, has reported a 21 per cent increase in operating profits to R23.7m (\$20.6m) for the six months ended June 30. Revenues of the group, the interests of which include shipping, hotels, liquor, tourism, manufacturing and wholesaling, advanced from R157.7m to R187.7m.

The increase in results was limited by the slowdown in the South African economy and the increased costs of borrowed funds. Interest and lease finance charges rose by 95 per cent from R2.5m to almost R6.9m, reducing the improvement at the attributable profit level.

Net attributable profit advanced 11 per cent to R10.7m from R9.6m, excluding a non-trading item of R545,000. This translates to earnings of 47.3 cents a share against 42.8 cents. A dividend of 18 cents a share has been declared against 17 cents.

The directors say economic conditions are expected to worsen in the second half, but group earnings and dividend for the year should not be lower than 1981's.

**Holzmann orders flat**

Philip Holzmann, the West German construction group, expects building output to fall in the second half of 1982 owing to unfavourable order books. Reuter reports from Frankfurt. Group output in the first seven months of this year was DM 4.18bn (\$1,670m), little changed from a year ago.

**VONTOBEL EUROBOND INDIZES**

GEWOGENE DURCHSCHNITTSTRENDITEN  
WEIGHTED AVERAGE YIELDS  
PER 10 AUGUST 1982

	Today	INDEX Vorwoche	Jahres-Hochst-Tag's Low	Jahres-Tiefst-Tag's Low
USS Eurobonds	14.71	14.68	15.79	14.61
DM Auslandsanleihen	9.94	9.93	9.98	9.75
DFL Inhabernotes	9.54	9.56	10.21	9.55
Can\$ Eurobonds	15.37	15.57	17.30	15.95

*These notes have been sold. This announcement appears as a matter of record only.*

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US\$ 50,000,000

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U.S. \$100,000,000  
Floating Rate Notes due 1987

In accordance with the provisions of the above Notes, notice is hereby given that for the six months from 10th August, 1982 to 10th February, 1983 the Notes will carry an interest rate of 14 1/4 per annum.

The interest payable on each U.S. \$100,000 Note on the relevant interest payment date, 10th February, 1983, against Coupon No 2 will be U.S. \$715.56.

Agent Bank:



**Regular Quarterly Dividend**

57 1/2¢ per Common Share

Payable: September 15, 1982

Record: August 27, 1982

Declared: July 28, 1982

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**EUROBONDS**

The Association of International Bond Dealers Questions and Yields appears monthly in the Financial Times.

It will be published on the following dates:

1982  
WEDNESDAY 18th AUGUST      TUESDAY 14th SEPTEMBER  
WEDNESDAY 12th OCTOBER    THURSDAY 11th NOVEMBER  
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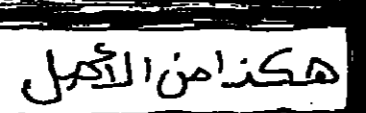
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**MILAN BOURSE CALMER**

**Ambrosiano plans major disposals**

BY RUPERT CORNWELL IN ROME

WITH THE operations of Nuovo Banco Ambrosiano off to an untroubled start as the Rome authorities could have wished, attention is now focusing on the other important segments of the former empire in Italy of the late Sig Roberto Calvi.

After its sharp decline at the end of last week—provoked by the eruption of the government crisis and the decision to liquidate the old Banco Ambrosiano—the Milan stock market has staged a modest recovery.

The upward movement in prices has been led by La Centrale, the holding company for Ambrosiano's Italian interests which has chalked up a 20 per cent gain since Monday, following its transfer to the ownership of Nuovo Ambrosiano.

The seven banks who now possess the L500bn (\$427m) capital of the new Ambrosiano have offered payment of L350bn for the "goodwill" of the old Ambrosiano, including its other assets. But the final valuation will be decided in negotiations between the liquidators of the old bank and the board of its successor.

Sig Nino Andreatta, the

Treasury Minister, has indicated that Nuovo Ambrosiano's directors, led by Sig Giovanni Bazola, its new chairman, have agreed to sell-off within six months those interests of La Centrale which a holding company headed by a bank is cur-

rently barred from possessing under Italian law. These are basically two fold: the Toro insurance group (for which the Fiat group is already being mentioned as a possible buyer) and La Centrale's 40 per cent stake in the Rizzoli/Corriere della Sera concern, Italy's largest publishing group.

Under the deal struck in April 1981, La Centrale paid L176bn for its share of the financially troubled Rizzoli. That price is reckoned in Italy

to have been too high. Probably La Centrale will have to settle for much less from a new buyer. There remains, however, the two most attractive single assets of La Centrale, its controlling stakes in two solid provincial banks of Northern Italy, Credito

Veneto and Credito Varesino, are known to be keen on gaining control of them—and in the process significantly changing the map of the private banking sector in Italy.

A modification is in any case guaranteed by the sale—assuming it goes through—by Sig Carlo Pesenti of a 70 per cent stake in Istituto Bancario Italiano (IBI), Italy's 18th largest bank, to Cariplo, the savings bank representing the Lombardy provinces.

Although the sale of IBI had been talked about for years, the outline agreement with Cariplo was almost certainly precipitated by the Ambrosiano crisis. Italmobiliare, the Presenti holding company, held 3.62 per cent of the old Banco Ambrosiano. If those shares are now worthless, the loss to the Presenti group could be some L90bn.

But the way in which the Italian authorities have chosen to deal with La Centrale has been bitterly challenged by newly created committees of small shareholders in the old Ambrosiano company, who intend to fight the liquidation decision through the courts.

**Improvement at Avco Australia**

By Michael Thompson-Noel in Sydney

AVCO FINANCIAL Services, the Australian subsidiary of Avco Financial Services of the U.S., has reported an improved profit of A\$10.2m (US\$9.99M) for the half-year to May, against A\$8.2m for the same period of last year. Revenues were A\$53.2m compared with A\$43.8m. The result was achieved despite an increase in interest and debt expenses from A\$13.9m to A\$18.3m.

The company said that the key to its progress was continued higher revenues, and major reductions in operating expenses, which as a percentage of revenue were reduced from 29.65 per cent to 25.52 per cent.

As part of its battle against costs, the company has closed four branches—leaving a network of 193—and withdrawn from small retail sales because of the high overheads incurred.

Total available credit lines had grown from A\$254.5m to A\$285.3m in the six months, but only A\$240.2m of these had been drawn down at balance date, against A\$214.4m previously. Tax paid in the half was A\$6.1m against A\$4.4m.

**Good start for revamped First Pacific Holdings**

BY ROBERT COTTRELL IN HONG KONG

FIRST PACIFIC HOLDINGS (FPH), the former Shanghai Land Company which is now a financial group controlled by Indonesia's Liem group of investors, has reported net profits for the six months to June of HK\$7.55m (US\$1.2m). An interim dividend of 8 cents is proposed.

The company—formerly a "shell"—has undergone substantial transformation in the course of the half year, and prior-year comparisons are not valid. In May, it acquired control of a deposit-taking company, Overseas Union Finance. It has also agreed to acquire an 80 per cent of the Hibernia Bank of San Francisco.

FPH's net asset value per share was HK\$10.93 at end-June, and interim earnings per

**Philip Morris (Australia) ahead**

BY OUR SYDNEY CORRESPONDENT

PHILIP MORRIS (Australia) reports a 2.9 per cent increase in profits for the year to June 30, thanks to reorganisation and reduced expenses. The local

share on a weighted average were HK\$2.45.

First Pacific Finance, the quoted subsidiary of FPH, has announced interim net profits for the same period of HK\$6.65m against the previous year's HK\$2.4m. The company significantly expanded its asset base in the half-year with the issue of HK\$24m worth of deferred shares, and a rights issue raising HK\$50m.

Earnings per share rose only slightly, to 21.56 cents from 20.15 cents, and net assets per share increased from HK\$1.29 to HK\$1.41.

An interim dividend of 3 cents is proposed. In its April rights issue document, First Pacific Finance forecast profits after tax for the full year of approximately HK\$3.9m and dividends totalling 7 cents.

**Fortia trebles profits in first half**

By William Dullforce, Nordic Editor in Stockholm

FORTIA, the Swedish pharmaceutical and bio-technology group, more than trebled earnings during the first half of the year. It reported yesterday a pre-tax profit of SKr 130.4m (\$21m), against SKr 42.7m for the first six months of 1981 and SKr 131m for the whole of last year. Sales climbed by 34 per cent to SKr 901.6m or, by just over 30 per cent to SKr 912m, including income from licences.

The strong advance in earnings is only partly due to improved profit margins. Other contributing factors were favourable foreign exchange developments and an increase in liquidity.

The management warns against extrapolating the rate of first half profit growth for 1982 as a whole, pointing out that the bulk of the 1981 profits were earned in the second half. Nevertheless, Fortia is revising its earlier forecasts of a 15 to 20 per cent increase in sales this year to close to 25 per cent and expects a figure of around SKr 250m for 1982 earnings.

كواليس



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**US \$56,700,000**  
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July, 1982

This announcement appears as a matter of record only July 1982



**STET—Società Finanziaria Telefonica p.A.**

**ECU 50,000,000**

Medium Term Loan

Arranged by **Lloyds Bank International Limited**

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This announcement appears as a matter of record only 2nd August 1982



Guaranteed by **The Republic of India**

**US\$ 198,000,000**

Finance for the purchase of three A-300 B4 aircraft and related spare parts from Airbus Industrie.

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- Banque Paribas**
- Deutsche Girozentrale—Deutsche Kommunalbank**

- State Bank of India**
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- CIBC Limited**
- Midland Bank plc**

**US\$ 88,000,000**

Eurocurrency Loan

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- Bank of India**
- Canadian Imperial Bank Group**
- State Bank of India**
- Indosuez Finance (UK) Limited**
- Bank of Baroda**
- Crédit du Nord S.A.**

**US\$ 22,000,000**

equivalent

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- Crédit du Nord S.A.**
- Banque Indosuez**
- State Bank of India**
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- Lloyds Bank Plc**
- Banque Paribas (London)**

**US\$ 44,000,000**

equivalent

**D.M. Buyer Credit**

guaranteed by the Federal Republic of Germany represented by Hermes Kreditversicherung A.G.

- Deutsche Girozentrale—Deutsche Kommunalbank**
- Hessische Landesbank Girozentrale**
- Landesbank Rheinland-Pfalz Girozentrale**
- Société Générale**
- Bank of Tokyo (Deutschland) A.G.**
- Industriekreditbank A.G.**
- Lloyds Bank International Limited**
- Kreditanstalt für Wiederaufbau**

**US\$ 44,000,000**

equivalent

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- Banque Nationale de Paris**
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**Lloyds Bank International**

COMMODITIES AND AGRICULTURE

Rise in pigmeat forecast

PIG-MEAT production in the main producing areas of the world is forecast to rise 1 per cent next year and a further 3 per cent in 1984...

Demand is also expected to improve in line with renewed expansion in the world economy...

ALUMINIUM stocks reported by the International Primary Aluminium Institute fell to 5m tonnes in June...

TAPIOCA output in 1982 will be only marginally to 129m tonnes of roots - equivalent to 50m tonnes of grain...

COFFEE imports by West Germany declined to 254,762 tonnes in the first six months of this year from 256,380 in the same period last year...

RUBBER output in peninsula Malaysia rose to 101,330 tonnes in May from 80,885 tonnes in April...

PR DENIS CUMMINGS, chief executive of the Eggs Authority, will become secretary to the National Egg Packers Association...

New bid to cut U.S. farm output

By Nancy Dunne in Washington

WITH THE U.S. agricultural economy at its lowest point in five decades and mid-term elections coming up, Congress is resurrecting old schemes to pay farmers for not producing...

The House, whose members must all stand for re-election in November, has approved a plan, similar to one passed by the Senate, which provides for a voluntary 15 per cent wheat set-aside and a voluntary 10 per cent feed grain set-aside...

EEC exports lift world sugar prices

By our commodities staff

WORLD SUGAR prices firmed yesterday afternoon on news that the EEC weekly tender involved a smaller white sugar sale authorisation than had been expected...

Copper market rally

By John Edwards, Commodities Editor

COPPER prices rallied on the London Metal Exchange yesterday when the New York market opened on an unexpectedly buoyant note...

Plan to mint coins from U.S. stockpile silver

WASHINGTON - A group of big U.S. silver producers has asked Congress to authorize the minting of coins from silver in the national defense stockpile...

MARKET PROFILE: CRISIS IN EGGS

Losses despite import ban

By Richard Mooney

BRITISH EGG producers, who for years blamed floods of subsidised Continental imports for their deepening financial problems, are being forced to look closer to home for a solution...

The long-term trend in egg production is downwards. The price of laying chicks last year rose marginally to 39m but were still well below the 46.91m level registered in 1978...

committee has been telling them for years. Producers' reluctance to contribute more levy funds to partly pay for the ban...

The committee does not want to change direction from the 'Thank Goodness for Eggs' campaign - it plans to use the extra money to keep the public on a more constant basis...

The egg industry is pinning its hopes for recovery on persuading recession-hit housewives of the value-egg as a protein-rich basic for main family meals...

Meat co-operative rescue succeeds

By a correspondent

NORTH DEVON MEAT, the joint producer co-operative, has won its battle for survival. Contributions to a members' rescue fund were announced yesterday to have exceeded the £1.5m target set by trustees...

AMERICAN MARKETS

WINNIPEG, August 11. Wheat - Oct 1982 (108B), Dec 78B (110B), March 113B (115B), July 111B...

LONDON OIL SPOT PRICES

Table with columns: Oil Type, Price, Change. Includes Arabian Light, Brent, etc.

GAS OIL FUTURES

Table with columns: Month, Price, Business Done. Includes August, Sept, Oct, Nov, Dec, Jan, Feb, March, April.

BRITISH COMMODITY MARKET

Table with columns: Commodity, Price, Business Done. Includes Base Metals, Silver, Copper, Tin, Zinc, Lead, Nickel, Cobalt, Manganese, Potash, Soda, Urea, Phosphate, Fertiliser, Wheat, Barley, Oats, Beans, Peas, Lentils, Sugar, Cocoa, Coffee, Rubber, Soyabean Meal, Cotton, Wool, Hides, Skins, Leather, Tanned Hides, Tanned Skins, Tanned Leather, Tanned Hides/Skins, Tanned Leather/Skins.

PRICE CHANGES

Table with columns: Commodity, Price, Change. Includes Metals, Copper, Lead, Zinc, Tin, Nickel, Cobalt, Manganese, Potash, Soda, Urea, Phosphate, Fertiliser, Wheat, Barley, Oats, Beans, Peas, Lentils, Sugar, Cocoa, Coffee, Rubber, Soyabean Meal, Cotton, Wool, Hides, Skins, Leather, Tanned Hides, Tanned Skins, Tanned Leather, Tanned Hides/Skins, Tanned Leather/Skins.

AMERICAN MARKETS

Table with columns: Commodity, Price, Business Done. Includes Wheat, Soyabean Meal, Cotton, Wool, Hides, Skins, Leather, Tanned Hides, Tanned Skins, Tanned Leather, Tanned Hides/Skins, Tanned Leather/Skins.

GOLD MARKETS

Gold fell \$4 an ounce from Tuesday's close in the London bullion market yesterday to finish at \$332.332. The metal opened at \$332.333 and traded between a high of \$333.333 and a low of \$330.330...

LONDON FUTURES

Table with columns: Commodity, Price, Business Done. Includes Tin, Zinc, Lead, Nickel, Cobalt, Manganese, Potash, Soda, Urea, Phosphate, Fertiliser, Wheat, Barley, Oats, Beans, Peas, Lentils, Sugar, Cocoa, Coffee, Rubber, Soyabean Meal, Cotton, Wool, Hides, Skins, Leather, Tanned Hides, Tanned Skins, Tanned Leather, Tanned Hides/Skins, Tanned Leather/Skins.

COFFEE

Table with columns: Commodity, Price, Business Done. Includes Arabica, Robusta.

SOYABEAN MEAL

Table with columns: Commodity, Price, Business Done. Includes 48% CP, 50% CP, 52% CP, 54% CP, 56% CP, 58% CP, 60% CP, 62% CP, 64% CP, 66% CP, 68% CP, 70% CP, 72% CP, 74% CP, 76% CP, 78% CP, 80% CP, 82% CP, 84% CP, 86% CP, 88% CP, 90% CP, 92% CP, 94% CP, 96% CP, 98% CP, 100% CP.

CHICAGO AUGUST 10

Table with columns: Commodity, Price, Business Done. Includes Wheat, Soyabean Meal, Cotton, Wool, Hides, Skins, Leather, Tanned Hides, Tanned Skins, Tanned Leather, Tanned Hides/Skins, Tanned Leather/Skins.

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CLASSIFIED ADVERTISEMENT RATES

Table with columns: Category, Rate. Includes Commercial & Industrial, Property, Residential Property, Appointments, Business for Sale, Personal, Motor Cars, Hotels & Travel, Contracts & Tenders, Book Publishers.

GRAINS

Table with columns: Commodity, Price, Business Done. Includes Wheat, Barley, Oats, Beans, Peas, Lentils, Sugar, Cocoa, Coffee, Rubber, Soyabean Meal, Cotton, Wool, Hides, Skins, Leather, Tanned Hides, Tanned Skins, Tanned Leather, Tanned Hides/Skins, Tanned Leather/Skins.

WOL FUTURES

Table with columns: Commodity, Price, Business Done. Includes 100's, 200's, 300's, 400's, 500's, 600's, 700's, 800's, 900's, 1000's.

EUROPEAN MARKETS

Table with columns: Commodity, Price, Business Done. Includes Wheat, Soyabean Meal, Cotton, Wool, Hides, Skins, Leather, Tanned Hides, Tanned Skins, Tanned Leather, Tanned Hides/Skins, Tanned Leather/Skins.

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WHEAT

Table with columns: Commodity, Price, Business Done. Includes Wheat, Barley, Oats, Beans, Peas, Lentils, Sugar, Cocoa, Coffee, Rubber, Soyabean Meal, Cotton, Wool, Hides, Skins, Leather, Tanned Hides, Tanned Skins, Tanned Leather, Tanned Hides/Skins, Tanned Leather/Skins.

POTATOES

Table with columns: Commodity, Price, Business Done. Includes White, Yellow, Red, Purple, etc.

MEAT/FISH

Table with columns: Commodity, Price, Business Done. Includes Beef, Pork, Lamb, Mutton, Chicken, Turkey, Fish, etc.

السعودية

# The balancing act facing the House of Saud

By Michael Field

## Saudi Arabia under Fahd



This is the first in a series of articles on key aspects of Saudi Arabian society under King Fahd (right).



FOR TWO weeks after the death of King Khaled on June 12 the new Saudi monarch, Fahd bin Abdul Aziz al Saud, received oaths of loyalty from his people. The simple ceremony brought the ruler and thousands of his subjects together. It also served as a reminder of the strengths of the traditional, personal system of government in Saudi Arabia.

In the later years of King Khaled's reign it was more often the strains in the old system which were perceptible. The network of loyalties based on tribe and community is breaking down. Only slowly is it being replaced by a sense of national consciousness in the sense that the West understands it. The "middle classes," meanwhile, are becoming increasingly vocal in private conversation about the manner in which they are ruled.

Within the Al Saud family and even the religious establishment, the ulama, there are endemic tensions between modernisers and traditionalists. From the outside the Kingdom's security is threatened by the expansionary revolution in Iran, which seeks to foment revolt among the Shias, the unorthodox minority which predominates in the oil-rich Eastern Province.

King Fahd faces the problem of adapting a dynastic, patriarchal system of government to satisfy those who want change in Saudi society without losing the backing of the family's grass-root support.

He is said to have been very impressed by the sheer numbers of his people whom he met during the oath-giving ceremonies in June. For hours after hour Fahd, the new Crown Prince of Abdullah, and Prince Sultan, who is now second in line to the throne, talked to ordinary Saudis, heard their views on how the Government could be improved, and answered their questions.

Many of the visitors said, in the typically direct Arabian manner, that they were giving their oath of loyalty on the assumption that Fahd's Government would do better than his predecessor on the issues that were of personal concern to them.

In the Saud family there are

several thousand adult princes and all of them make themselves available to their subjects. Some of the younger princes hold a majlis (council) only two or three times a week and on each occasion receive a few relations, friends and employees of the government departments in which they work. Many of the most senior princes sit once or twice a day and in the course of a year receive tens of thousands of tribesmen and townsmen.

Any ordinary Saudi who walks into a prince's majlis will expect, at the very least, a good meal, a bed for the night if he wants it, and an opportunity to express his views on the topics of the day.

More often than not a tribesman will visit a majlis with a specific request. He may want some financial help with bills and debts, or a car or a pick-up truck, or some money to give as his daughter's dowry, or medical treatment in London for one of his family. Some of this

assistance might be available from the state, but people from the country areas will often feel that the immigrant Arabs and the relatively sophisticated Saudi bureaucrats in the ministries do not respect their tribal origins and do not properly understand them. They feel that it is more natural for them to take their worries to a prince than to a government department.

The richer and older princes maintain palaces in many parts of the Kingdom, which enables them to receive people from all the different tribal areas. They meet more of their subjects when they go on hunting expeditions. On the occasions of births, marriages and deaths in families they know well, they make a point of visiting those families' houses.

In the words of one of the Saud's subjects, the princes who have the largest numbers of visitors to their majlis are those who are "generous, brave,

but with the mass of the Saudi people it works. This should not be surprising if one considers that the business of government in Saudi Arabia in the past 30 years has been to allow Saudis to live their lives in the traditional way while helping them to take advantage of the oil boom.

So far Saudis' lives have not been disrupted by many of the restrictions normally imposed by the modern state, or by taxes. The people benefit from subsidised housing, electricity, free health care and free or heavily subsidised housing, depending on their income levels. Ordinary Saudis seem quite easily to be able to raise a down-payment on the \$50,000-odd needed to buy a heavy truck. And there are as many of them as in the UK, over half of which are Mercedes.

The problem for the Saud family is that the strengths of the traditional system of government are no longer relevant to the bourgeoisie.

This section of society, which includes the senior officials in the ministries, the rich business community and a few professionals—journalists, lawyers and university lecturers—is the one with which visiting westerners have most contact. Its members have been educated in Europe and America. As Saudi Arabia becomes a richer, more sophisticated society its numbers are increasing.

The bourgeoisie is not happy with the society in which it is living and it has a whole list of criticisms of the Government. It feels that the regime is oppressive, too much under the influence of obscurantist, ignorant and petty-minded ulama (religious leaders), too close to the U.S. (this was one of the most common of the criticisms heard by King Fahd after his accession), and, except in the last few months, willing to squander the country's wealth

by producing oil at an unreasonably high rate. It would like to read more independent-minded newspapers, have greater freedom of speech and participate in Saudi politics.

Probably the most common complaints concern venality and the role of women, who are not allowed to work or drive cars. In the first case the middle class critics are worried less by the petty corruption of Saudi officials than by the enormous commissions on contracts and shares of ministerial budgets taken quite legally by some of the princes.

It is striking that virtually all members of the bourgeoisie voice these complaints. Where the critics divide is over the remedies. The majority would like to see Saudi society liberalised; the rest want to see the introduction of a "true" Islamic government. In a political sense such a government should, in theory, be quite a liberal institution, which would consult its subjects.

All of the bourgeois critics are gentlemanly, honest, well-meaning and non-violent—and, by average western standards, rich.

A diplomat recently described them as "saloon bar liberals"—an ironic comparison with western society, but not inaccurate.

The critics are deeply frustrated by the impossibility of expressing their complaints in public in Saudi Arabia. If they want to say that Saudi Arabia is too close to the U.S. they cannot write an article in a newspaper discussing the Saudi-U.S. relationship, they have to resort to criticising the U.S. without mentioning Saudi Arabia. Only the heads of a few of the most distinguished merchant families can meet the senior princes in private for a serious discussion on these matters.

The royal family is aware of the bourgeois complaints but it hesitates to act on them. The

princes say that it is all very well for the middle classes to demand liberal reform, but that the Al Saud has to take into account the very conservative attitudes of the country as a whole.

Prince Saud bin Abdul-Mohsin bin Abdul-Aziz, the Deputy Governor of Jeddah and Mecca, recently observed that the Saud family could not "force the modernisation of society simply because a minority of western educated citizens wanted it modernised."

He added "... we cannot disregard the views of the ordinary people even if they seem to obstruct development. We can't do what they did in

**'We can't do what they did in Iran'**

Iran: despite the masses and behind locked doors away from the marble walls... We have to have one foot here and one foot there and be a good acrobat."

When he made these remarks Prince Saud was telling only part of the truth. There are certainly many ordinary and very religious Saudis in the provinces who would be disquieted to see women working or driving cars. The same people might be annoyed by what they would hear if a more open political and social debate were permitted in the Kingdom. But they would probably not object if some of the younger, more greedy princes were forced to curb their business activities.

The royal family's reluctance to institute political and social reforms stems mainly from the fear that once it had started reforms the whole process would run out of control, with

unpredictable consequences. It is also clearly afraid of offending the ulama, which might possibly rouse the people against social reforms. If the ulama see something in society of which they disapprove they will preach against it in the mosques on Fridays.

To date the Government's main response to the complaints of the bourgeoisie has been to promise a majlis al shura, an appointed (not elected) consultative assembly, which will be composed of "men of wisdom, knowledge and high morals, who will advise the Government on policy making." In a speech to the nation on July 23 King Fahd said that promulgation of the regulations for the majlis al shura had been delayed by the death of King Khaled, but would be one of the first issues that he himself would address.

The discontent of the bourgeoisie is not a very dramatic threat to the stability of Saudi Arabia. It has not involved the bloodshed of the riots of the Shia sect in the Eastern Province in 1979-80, or the Mecca mosque incident. The Saudis say, with justification, that periodic uprisings of religious zealots, such as occurred in Mecca, have been a historical characteristic of Moslem societies, and do not signify the imminent collapse of the social order. The rebels in Mecca may have come mainly from a few tribes in central Arabia, but their revolt had an entirely religious inspiration: it was not in any sense an indication of tribal discontent.

The bourgeois critics of the regime, in contrast to the religious rebels, are not an episodic phenomenon. Their numbers inevitably will increase, and their criticisms are becoming louder every day. They pose a challenge which at some point in his reign King Fahd will have to meet—but he cannot ignore the other, traditional, face of Saudi Arabia.

### The Griqualand Exploration and Finance Company Limited

(Incorporated in the Republic of South Africa)  
INTERIM REPORT - 1982

The following are the unaudited consolidated results of the Group for the half-year ended 30 June 1982 together with comparative figures for the half-year ended 30 June 1981 and the year ended 31 December 1981.

	Half-year ended 30.6.82	Half-year ended 30.6.81	Year ended 31.12.81 (Audited)
	R'000	R'000	R'000
<b>Financial Results</b>			
Operating income	7,181	1,749	10,130
Income after tax from non-mining subsidiaries	241	102	1,024
	7,422	1,851	11,154
Less: Interest and sundries	1,096	679	1,066
Income before taxation	6,326	1,172	10,088
Provision for taxation	477	72	2,250
Net income after taxation	5,849	1,100	7,838
Earnings per share—cents (on net income after tax)	16.3	9.2	21.8
Capital expenditure	4,245	195	2,404
Dividends: paid (15 cents per share)	—	—	1,793
declared (7.5 cents per share)	2,693	—	—
Capital Commitments:			
Approved expenditure end of period	3,749	608	2,764
Contracted for end of period	583	17	1,294

#### NOTES:

- Share Capital**  
The issued share capital of the Company is R1,795,625 and comprises 35,912,500 shares of 5 cents each.
- Comparative Results**  
The 1981 half-year results are not comparable with those of the half-year to 30 June 1982 as they reflect the performance of the Group before the takeover of the newly acquired asbestos mines. Results for the year ended 31.12.1981 include those of the newly acquired mines for the last quarter of 1981.
- Dividends**  
An interim dividend No. 61 of 7.5 cents per share for the six months to 30 June 1982, was declared on 2 June 1982 and will be paid on 19 August 1982.
- Expansion Programme at Pomfret Mine**  
The new mill is being commissioned and the underground extensions have virtually been completed.
- Operations**  
Sales for the first half of the year were satisfactory. This reflects the normal pattern of lower sales in the first half of the year compared with a higher level of sales in the second half. Quality problems were experienced at the Pomfret Mine earlier in the year which adversely influenced results for the first half year. Ore availability has since improved with the commencement of the mining of the new orebodies as part of the expansion programme.

On behalf of the board

N. C. OFFICER } Directors  
L. K. JOOSTE } Johannesburg  
12 August 1982



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# Accountancy Appointments

## Accounts Manager City Bank c £15,000 + Car

Our client, a large international financial concern is seeking a Chartered Accountant to manage the Accounts Department. The person appointed will have had substantial previous experience in managing computerised accounts in an international banking environment including specific experience of foreign exchange transactions and Bank of England returns. He or she must be able to demonstrate good experience in managing people successfully. This is a challenging position which will provide the right person with opportunities for future career development. Salary and benefits will include Company Car, mortgage subsidy, Life & Pension Scheme. Candidates are invited to write with full curriculum vitae to J. D. Vine (Ref. 217), Vine Potterton Ltd., Wakefield House, 152/153 Fleet Street, London EC4A 2DH. Please state separately any companies to which your application should not be forwarded.

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- Qualifications:** Candidates should possess
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  - extensive experience in dealing with the accounts of large organisations and in preparing financial reports for senior management
  - the ability to communicate effectively both orally and in writing
  - proven qualities of leadership, initiative, drive and organising ability.

Extensive travelling in the UK will be required. Starting salaries will be in the ranges quoted (the salary range for the Senior Auditor post includes a London allowance of £1215). There is an excellent leave allowance and a contributory pension scheme.

Application forms can be obtained from Mrs J Sutton, PP7.2, Rm 329, Post Office Headquarters, St Martin's-le-Grand, LONDON EC1A 1HQ (01-432 4683).

The closing date for applications is 10 September 1982.

\*New salary scales with effect from 1 April 1982 are currently being negotiated.

The Post Office

## THE LAW SOCIETY CHIEF ACCOUNTANT LEGAL AID

£17,780 p.a. - £23,521 p.a.

The present Chief Accountant retires in June 1983 and it is proposed to appoint his successor as soon as possible to allow a reasonable handover period.

The Law Society is responsible for the administration of Legal Aid in England and Wales through 15 Area Offices in London and the major provincial towns, together with a London based Accounts Department with a staff of some 240, and a medium sized computer.

Applicants should be qualified Accountants, preferably aged under 50. They should be capable of managing a large Accounts Department and possess extensive knowledge of computer systems.

Experience in preparing annual estimates and long-term forecasts against which to monitor expenditure is necessary together with the ability to prepare and control budgets and to interpret and analyse the financial implications of statistics.

A background of government financing and budgeting procedures together with legal knowledge would be useful.

Legal Aid is in a period of administrative transition and this will present the person appointed with a demanding and challenging environment in which to work.

Conditions of service are attractive and include 23 working days leave, and a public sector linked superannuation scheme.

Depending on age and experience an appointment will be made within the above salary range, not necessarily at the minimum.

Applications with precise details including dates covering education, qualifications, and career and salary levels should be addressed to the Personnel Manager, The Law Society's Hall, 113 Chancery Lane, London WC2A 1PL, to arrive not later than 23rd August, 1982.



## International Audit

LONDON BASED  
Extensive travel Outstanding rewards

Dowell Schlumberger is a rapidly growing leader in the oil field service industry with annual revenue in excess of \$800m. and operations in over 55 countries throughout the world. Due to continued expansion, we are now looking for young Accountants to join our London based Operations Review Team.

You will be an important member of a specialist team functioning in a decentralised environment. Your main responsibility will be to carry out internal financial reviews of the company's international operating divisions and will involve considerable international travel.

Aged 25-28 with a relevant degree or equivalent higher level academic qualification you should ideally be a fully qualified Accountant with good experience in multi-national operations. Significant experience of D.P. applications is required. Complete mobility is essential as is fluency in English and additional languages are desirable.

In return we are offering a highly attractive salary in keeping with the importance of these positions and a full range of valuable large company benefits. Furthermore, career prospects are excellent and should lead to a line financial management appointment after two years.

Please write with full career and personal details, to Personnel Manager, Dowell Schlumberger, Drury House, Russell Street, London WC2B 5HA.

**DOWELL  
Schlumberger**

## Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

## Finance Director

West Midlands to £20,000+car

As part of a planned restructuring to devolve profit responsibility, a major British public group has formed a subsidiary which will be formally incorporated later this year. The new company will have a multi-million pound turnover in the manufacturing, marketing and distribution of a range of fast moving consumer goods, all of which are household names. The Finance Director will structure a new department, recruiting externally where necessary, and will ultimately be responsible for the work of 40 staff comprising the finance, purchasing and stock control functions. The role is highly commercial, a key responsibility being to support and participate in major negotiations with customers and suppliers inside and outside the parent group. Candidates, qualified accountants aged 30 to 40, will have gained experience within a large manufacturing and distribution company and must show strong skills in staff management and commercial flair in a competitive environment. A strong personality is vital and prospects for advancement are outstanding.

H.W. Fitz Hugh, Ref: 20173/FT. Male or female candidates should send full details of career to date, which will be treated with full confidentiality, to Sutherland House, 5/6 Argyl Street, LONDON W1E 6EZ. 01-734 6852.

## Accountant

We have a vacancy at Higher Executive Office level for an experienced Accountant in our Finance and Accounts Group. He/she will be responsible for planning and supervising the work of the following sections and for implementing any change in the system employed:

- \* Financial and Management Accounting
- \* Cash Office
- \* Amenity Accounts & Debtors
- \* Computer Data Processing.

Close liaison will be required with the sections responsible for Payrolling, Financial Procedures, Creditor Accounts, and Computer Programming.

Applicants should have at least 4 years' relevant experience in the commercial and/or public service fields and should ideally possess a recognised accountancy qualification.

The salary will be within the range of £7,822-£9,758.

The Rutherford Appleton Laboratory is a friendly community with its own restaurant and sports facilities nearby. We offer excellent working conditions and benefits include a local transport service, generous holidays and a non-contributory superannuation scheme.

For an application form, please write to: Recruitment Office, Personnel Group, Science and Engineering Research Council, Rutherford Appleton Laboratory, Chilton, Didcot, Oxon OX11 0QX, quoting ref. VN.070 or telephone Abingdon (0235) 21900 Ext. 510. Closing date for applications 3rd September 1982.

serc Rutherford Appleton Laboratory

## Finance Director

Gr. Yarmouth c. £20,000 + Car

Our client, a young and successful group of electronics companies serving the offshore and defence markets, is about to enter a further phase of expansion in both the UK and overseas. The holding company is quoted on the Unlisted Securities Market. Reporting to the Managing Director, the Group Finance Director will be responsible for all financial and accounting activities of the group and is expected to make a full contribution to group business strategy. Our client seeks an applicant who has—

- \* qualified as a Chartered Accountant and is aged between 28 and 38
- \* a proven track record with at least three years' management experience
- \* experience in international finance
- \* the ability to communicate effectively at all levels
- \* demonstrate a willingness to travel within the UK and overseas on short assignments.

An excellent salary and benefits package is offered including assistance towards removal expenses where applicable.

Please write in confidence submitting a curriculum vitae to—  
Christopher Dicker

LOVEWELL BLAKE & CO.  
2 South Quay, Great Yarmouth

## Deputy Controller Computer Accounting Systems Attractive Salary & Benefits

Matthew Hall, the international engineering design and contracting group, is one of Britain's most successful corporate performers. The Group's success is supported by professional financial management and computing services, and it is within our Group Finance Department that we now offer an outstanding opportunity for career development. The UK part of the Group is engaged in a major enhancement of its computerised accounting, and the Group Accounting Systems Controller is looking for a high calibre deputy who will eventually succeed him. We therefore need a self-motivated Chartered Accountant who will be able to contribute significantly to the developments. To match the demands you will be a person aged between 30 and 40 with experience of computerised accounting systems gained in an industrial environment and have demonstrable ability to plan and direct your own work and that of others.

Please write enclosing a full c.v. to Maureen Greaves, Personnel Manager, Matthew Hall PLC, 101-108 Tottenham Court Road, London, W1A 1BT or for more information telephone: 01-636 3676.

**Matthew Hall**

## FINANCIAL CONTROLLER — EUROPEAN OPERATIONS BASINGSTOKE circa £19,000+CAR

Intersil, a wholly owned subsidiary of the General Electric Company (U.S.A.) seeks a self motivated Accountant for their European operations.

Reporting to the V.P. of Finance the successful applicant will assume financial, administrative and treasury responsibilities for Intersil's European sales subsidiaries plus involvement in the newly formed assembly operation in Ireland.

Candidates, aged between 30 to 40 must be Chartered Accountants, with European experience and familiar with U.S. accounting practices. Experience in the semiconductor or high technology field would be an advantage.

Please write in confidence with full details to:

Ian Calvert  
INTERSIL DATEL (U.K.) LTD  
Snamprogetti House, Basingstoke  
Basingstoke, Hampshire

## CHARTERED ACCOUNTANT

REQUIRED TO MANAGE SMALL ACCOUNTING DEPT. FOR A COMPANY BASED IN SOUTH-WEST LONDON BUT MOVING TO KINGSTON IN THE AUTUMN. Responsibilities will include staff management, preparing monthly and annual accounts to strict time-tables, cash flow, budget and project appraisals. Some knowledge of computer systems essential. Excellent salary, WPA insurance, pension scheme, etc.

Applications: in writing to Box A7934, Financial Times 10 Cannon Street, EC4P 4BY

## ACCOUNTS/OFFICE MANAGER

Responsibilities will include control of a small computerised system and all other aspects of the accounting function for a flourishing group near Bexhill. An opportunity for the career minded. Circa £10,000.

C.V. please to Box A7941, Financial Times 10 Cannon Street, London EC4P 4BY

## FINANCIAL CONTROLLER

WESTERLY YACHTS LIMITED

One of the UK leading yacht manufacturers and a subsidiary of Centreways Industries PLC, a diverse public manufacturing and distribution group seeks a Financial Controller.

The ideal candidate, aged between 27-35, should hold a recognised accounting qualification, with 2-3 years post qualification experience in a manufacturing environment. Knowledge of computerised accounting systems and the disciplines and reporting requirements of a public group will be an advantage.

The position will entail responsibility for all the accounting and financial functions of the company and also include reporting, within strict time-tables, to senior management and the group head office. The successful candidate will also be involved in a complete review and improvement to the existing computerised costing and accounting systems.

An attractive salary together with the provision of a company car and fringe benefits commensurate with a public group will be offered.

Please write with a full curriculum vitae to:  
N. V. A. Coghill, FCA, Director  
47 Aston Road, Waterlooville Hants PO7 7XJ

ACCOUNTANCY APPOINTMENTS  
APPEAR EVERY THURSDAY — RATE: £25 P.A.G.C.  
For further information please telephone:  
CAROLINA LEON  
01-256 9763

## MERCHANT BANKING

## Group Taxation Manager

Hill Samuel Group PLC is seeking to appoint a Group Taxation Manager, who reports to the Group Chief Accountant, and whose responsibilities include—

- \* Tax advice to operating divisions
- \* International corporate tax planning
- \* Submission of main UK tax computations
- \* Supervision of routine tax compliance work

The successful candidate, who may be in Commerce, Professional practice or the Inland Revenue, will have substantial experience of dealing with the tax affairs of large companies. Expertise in financial legislation and skill in articulate presentations are key requirements. It is unlikely that an applicant under 30 years old would have the necessary experience.

Salary is negotiable but will reflect the responsibilities of this senior tax position. Excellent benefits include a car, non-contributory pension scheme, free life insurance and house purchase scheme. Applications, which will be treated in strict confidence, should be sent to: R. C. G. Gardner, Director of Personnel, Hill Samuel & Co. Limited, 100 Wood Street, London EC2P 2AJ.

HILL SAMUEL & CO LIMITED

## FINANCIAL DIRECTOR

£16,000 plus car — MIDLANDS

A £7 million manufacturing company requires a Financial Director to control all aspects of the accounting function.

Applicants must be qualified accountants who have held responsible positions in marketing orientated manufacturing companies.

Applications in confidence to:  
Box A7931, Financial Times  
10 Cannon Street, London EC4P 4BY

## Opportunities within a growing Engineering Group Group Director and General Manager £20,000 + car (possibly much more) - Midlands

A successful group of companies (South Yorkshire to South Midlands) with a wide-ranging engineering product base, a parent company that genuinely believes it can only be as good as its people, a remuneration package that will be tailored to attract the best... all in all, an appointment which should be relatively easy to fill. But that belief about the quality of the people concerned creates its own problems; we'll receive plenty of applications, but very few will meet our standards. The ideal candidate will be about 40, an engineer with a well developed commercial sense (and a track record which proves it) and a management style which leads from the front and offers delegation without abdication. The group is profitable, but is looking for further growth. It's certainly not a comfortable job for a comfortable manager, but the challenge and the prospects will turn on the people we need. Reference 2037/GEGO.

### Finance Director c. £16,000 + car - North of England

One major company within the group, manufacturing consumer durables, has a solid if not exciting profit record, based on a turnover in excess of £20 million. The Managing Director is aware that profit improvement could well result from a more inspired approach to financial and commercial management, to supplement the thoroughly competent number-crunching team already at work. It is, nevertheless, a works-based operation, and the ideal candidate - certainly qualified, probably mid thirties - will be happy at home in such an environment. We are looking for accounting competence, financial flair, management skills, and the ability to offer profit-conscious commercial advice. In fact, every Finance Director will believe he or she fits the bill; our experience makes us less certain. Reference 2038/GEGO.

### Production Director c. £15,000 + car - North of England

About 700 hourly paid personnel, some extremely sophisticated equipment, and investment available to facilitate the rest of the production operation in the next twelve months. Like the other jobs, this sounds easy to fill - but again we doubt if it will be! We are looking for an unusual but essential mix - genuine, professional managerial science at one level, guts and bolton motivation and control at the other, that traditional hiremate quality at the rear end - and brains at the other. We need candidates who have earned the respect of manufacturing work forces (with occasional doubts cast on their parentage) but who have also made a full contribution to the managerial thinking of a total operation. The group offers promotion prospects in plenty, with no prejudices about qualification, discipline or age - but plenty about ability. Reference 2039/GEGO.

Applications, which may be from male or female candidates, will be treated in complete confidence and should be sent, with full career details, to Graham Oliver, quoting the appropriate reference.

**BROOK STREET EXECUTIVE RESOURCES LIMITED**  
63 Oxford Street, London W1R 1RB. Tel: 01-434 1881.

The Executive Selection Company of the BROOK STREET Employment Services Group

# CJA RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH  
Tel: 01-588 3588 or 01-588 3576  
Telex No. 887374

An exceptional opportunity demanding broad financial and business skills and an entrepreneurial approach. Prospects of Board Appointment with equity participation in 1-2 years.



## LEASING FINANCE DIRECTOR-DESIGNATE

LONDON

£35,000-£40,000 + CAR

ESTABLISHED AND RAPIDLY EXPANDING COMPANY BUYING AND SELLING IBM COMPUTERS WITH MAJOR LEASING DIVERSIFICATION PLANS

This new appointment calls for candidates, aged 32-38, qualified financially, with not less than eight years' experience of leasing finance including at least three years in the financial control of a significant international operation. A clear understanding of current legislation and related taxation is necessary. The successful candidate will be responsible to the Chairman for the negotiation of institutional funding, the optimum structuring of operating leases and the overall financial support of international expansion plans, including future big ticket leasing. Total commitment is the key to the success of this appointment. Initial remuneration, by way of high basic salary + profit share, negotiable £35,000-£40,000, car and family medical cover. Applications in strict confidence under reference LFD 1-285/FT will be forwarded unopened to our Client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager.

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.



## MANAGEMENT ACCOUNTANT

LONDON E.C.2

£12,000-£15,000

LEADING FIRM OF CITY SOLICITORS

For this new appointment, we invite applications from qualified Accountants (A.C.A., A.C.C.A.), aged 25-30, ideally graduates with about 2 years' post-qualification experience, using modern EDP accounting systems, either within the profession, a consultancy or commerce. Reporting to the Partnership Manager, responsibilities will include assisting in the development of sophisticated accounting/management information systems in both the City of London and overseas offices, budgets, forecasts, cash flow statements, as well as ad hoc projects commensurate with the expanding and progressive nature of the firm. Personal qualities should include an innovative, flexible and methodical approach, together with the ability to work as part of a team and liaise effectively at all levels. Initial salary negotiable £12,000-£15,000 + contributory pension scheme, private medical insurance and assistance with removal expenses, if necessary. Applications, in strict confidence, under reference MA 044/FT, to the Managing Director—

ACCOUNTANCY AND LEGAL PROFESSIONS SELECTION LIMITED,  
35 NEW BROAD STREET, LONDON EC2M 1NH. TEL: 01-588 3588 or 01-588 3576. TELEX: 887374.

\* Please only contact us if you are applying for one of the above positions.

## Export Finance Merchant Banking

Recent successes within the Grindlays Bank Group in the field of arranging UK export finance transactions have led to a continued expansion in the Export Finance Department. We are looking for additional Assistant Managers to support the Senior Executives in marketing our specialist services to UK industry and overseas borrowers.

As an Assistant Manager you will be expected to specialise in the arrangement of project buyer credits as well as assisting in the development of new and existing business. You should have at least 3 years' experience in either UK industry, a merchant bank or ECGD in the arrangement of ECGD buyer credit transactions. It will be necessary for you to be confident of your ability to deal with customers at the highest level both in the UK and abroad.

Following a period in the Group Head Offices of Grindlays Bank p.l.c., a certain amount of UK and overseas travel will be envisaged.

Salaries will be extremely attractive. There is an excellent benefits package including mortgage assistance. Naturally these positions are open to both men and women. Please apply in writing with full career details to: R.J.E. Barker, Group Appointments Manager, Grindlays Bank p.l.c., 36 Fenchurch Street, London EC3P 3AS.

**Grindlays Bank p.l.c.**

## PR and Advertising Executives

City & Commercial is a communications consultancy which started life a year and a half ago. It is particularly involved in advising clients on their financial and corporate affairs.

They are looking for a PR executive to work for two senior directors, and an advertising executive to handle the briefing, preparation and placing of some client's advertising, print and promotions.

Please ring Linda Tate on 01-638 0805 to arrange an interview.



**City & Commercial Communications Ltd.**  
5 St. Helen's Place, Bishopsgate, London EC3A 6BD

## FINANCIAL CONTROLLER

Applications are invited from commercially experienced qualified Accountants for an appointment as Financial Controller, responsible to the Director of Administration.

The job entails control of all accounts staff, operation and development of a computerised accounts system, provision of financial information for management, and installation and implementation of expenditure and budgetary control systems.

Location is in the East Midlands and starting salary is not less than £15,700 per annum.

Suitably experienced candidates should apply not later than 18 August to  
Box A.7944, Financial Times  
10 Cannon Street, London EC4P 4BY

## MANAGING DIRECTOR c. £20,000 + profit share SE London

required to manage UK subsidiary of European multi-national marketing and servicing engineering equipment in the UK.

The ideal candidate will currently be earning a salary in the region of £20,000, aged 40-45, with an engineering degree and preferably have knowledge of a European language. We also require someone with a proven record in industrial marketing, an established background in general business management and considerable experience in high-level negotiations in a wide range of engineering products. In return the company are offering an excellent benefits package and all relocation expenses paid where applicable.

Please apply with c.v. to Robert Wilson  
IAN MARTIN LIMITED (Search Consultants)  
11 Uxbridge Street, London W8 7TQ  
Telephone 01-221 2535

## BOND DEALER (Samurai Eurobonds)

We are a Japanese Securities House and, due to expansion, we are looking for Bond Dealers to trade Yen Bonds and Eurobonds with clients throughout Europe.

The successful candidates will probably be aged between 25-35 and will have at least two to three years' experience of trading in one or both of the above markets.

The applicant may expect increasing responsibility together with opportunities to visit overseas clients.

Salary will be commensurate with age and experience but would be expected to be within the range £12,000-£14,000 per annum and supplemented with attractive fringe benefits and incentives.

Please write enclosing your c.v. to:

The Personnel Manager



International (Europe) Limited  
Buckingham House, 62-63 Queen Street  
London EC4R 1AD  
Tel: 01-248 5044

## Corporate Development

International oil company

An exceptional opportunity has arisen for a young executive to join a small team of Marketing Co-ordinators at the corporate headquarters of an international oil company, based in the City of London.

This team services top management on a wide range of topics, principally in the acquisition and capital investment fields. The post offers a considerable future to a graduate, aged 25-30, with strong analytical skills who has probably had 2 or 3 years' commercial experience in a City institution and is ready for new challenges.

A competitive remuneration package will be offered and career prospects are outstanding.

Write for an application form or send brief CV to the address below, quoting ref: SM25/8045/FT on both letter and envelope, and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants.

**PA Personnel Services**

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International



## Managing Director London

Wardley Investment Services Ltd, the largest fund management company in South East Asia and a member of the Hong Kong Bank Group seeks a Managing Director for its UK subsidiary. The successful candidate will be appointed Managing Director of the Group's existing London based fund management company and will be responsible for marketing the Group's international investment capabilities in the UK and Europe.

Candidates should have a fund management background, well developed marketing and administrative skills and some knowledge of the Far Eastern securities market. The package will be structured to attract the right person and will include a house loan scheme and car. (WWW.560).

Candidates male or female should write briefly and in confidence to the Managing Director, Executive Appointments Limited, 18 Grosvenor Street, London W1, quoting reference. No identities divulged without permission.

ESD is the Executive Selection Division of EAL

## BULLION DEALER

Leading International Commodity Company have a vacancy for an experienced Dealer to join their Bullion Department. Salary negotiable.

Write in confidence to:  
Box A.7938, Financial Times  
10 Cannon Street, London EC4P 4BY

## NEW APPOINTMENTS

£15,000 - £50,000 p.a.  
Candidates are the leading specialists in matching executives to find their next top job. Only Comptel offers a success-related fee structure. Contact us for a confidential interview meeting.  
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70 Grosvenor Street, London W1. 01-436 6504

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So don't write yourself off just because your job has gone. We can help you by offering the most comprehensive Career Counselling service in Europe. Our unique guarantee assures clients of rewarding careers, obtained mainly from the unpublished job market. Telephone for a free, confidential appointment with a consultant, or send us your c.v.

**CHUSID** London: 01-880 6771 35-37 Fitzroy St. W.1. Manchester: 061-228 0089 Sunley Building, Piccadilly Plaza.

We are also specialists in 'Outplacement' for organisations, through our affiliated company Leader Corporate Services Limited. Address as above.

SETTLEMENTS CLERK (esp. all forms), 31/35, The Stockbrokers, Superb Co. Offices, Urgent. 01-530 6309, Bishopsgate Emp. Agcy.

## ANALYST

Analyst wanted to work in personal investment services division of major insurance broking group. Responsibility will be in the field of unit trusts, bonds and similar investments. Background in investment analysis or financial journalism. London base. Remuneration commensurate with ability and experience.  
Reply to Box 47836, Financial Times, 10 Cannon Street, London EC4P 4BY.

## ADMINISTRATIVE FINANCIAL MANAGER

for rapidly expanding international consumer electronics firm. Reports directly to M.D. Must be dynamic, enthusiastic, ambitious and have at least 10 years' experience. Office near Finchley Central tube station. Salary negotiable. Send c.v. to:  
**NAD Sales (Jersey) Ltd**  
Ad Astra House  
401-405 Nether Street, London N3

## Treasury Assistant

The Costain Group is a major international contracting group operating in the UK and overseas. A vacancy now exists in our Treasury Department for an additional Treasury Assistant. This post primarily involves monitoring the group's daily UK cash requirements and investing surplus funds in the London money market, together with the payment of all overseas creditors.

Candidates, aged around 25, should ideally be bank trained and must possess

a sound knowledge of documentary letters of credit and other methods of foreign payments, including forward currency markets. This is a challenging role that will appeal to a person who is determined to succeed within a stimulating environment.

A realistic salary, reflecting age and experience, will be paid to the successful candidate together with an excellent fringe benefits package.

Please write with full career details or telephone for an application form to:

Miss V. Meehan,  
**Richard Costain Limited**  
111 Westminster Bridge Road, London, SE1 7UE.  
Telephone: 01-928 4977 Extn. 289.







# International Appointments

## Financial Controller

West Africa US \$60,000 (Inc. Allow.)

Our client, one of the world's leading offshore service companies, is seeking a Financial Controller for its West African affiliate. Based in Nigeria, the candidate will be responsible for financial matters, administration, personnel, tax, audit and company secretarial functions with a staff of 120. This is a key group position in a demanding and challenging environment. Consequently strength of personality, leadership ability and flexibility are required in a candidate who is likely to be in the 28-35 age range. Previous working experience in West Africa is highly desirable and a knowledge of French would be useful.

A three year tour of duty is envisaged on married status after which the incumbent will be offered an opportunity to transfer to another corporate location elsewhere in the world. The package includes assistance with relocation, children's education, accommodation, company car, international pension plan and five weeks holiday. Notional rent and tax charges will be made. Initial orientation will be at the company's European Headquarters for one month and anticipated commencement is October 1st. Interested applicants should contact Stephen Burke, Michael Page International, 31 Southampton Row, London WC1B 5HY, or on 01-405-0442. Telex No. 296091.

**MP**  
Michael Page International  
Recruitment Consultants  
London Birmingham Manchester Glasgow

## Sales Manager—Libya (based Malta) Travellers Cheques

Due to continued expansion, Thomas Cook Travellers Cheques Limited, part of the Thomas Cook Group, require a Sales Manager to promote the sale of their Travellers' Cheques and ensure effective control of our business in the rapidly developing market of Libya. This position, reporting to Head Office in Peterborough, is based in our new sales office in Malta and requires frequent and regular travel to Libya. Consequently we are looking for a self-motivated, experienced sales person with a confident personality. Candidates less than 25 years of age will be unlikely to have sufficient experience or the intellectual capacity necessary to meet the challenge of this demanding role in a difficult market. Previous experience in a financial services environment would be beneficial, as would a knowledge of Arabic.

A period of training at our Peterborough Head Office is envisaged. Prospects are good, with a generous salary, depending on age and experience. Usual large company expatriate benefits, including housing assistance, will apply. If you feel you are the person we are looking for and would enjoy working for a company where future progression will be based on success please write with full career details stating current salary to: Mr Andrew Scourfield, Personnel Officer, Thomas Cook Financial Services Limited, PO Box 36, Thorpe Wood, Peterborough, Cambs. Tel (0753) 522041.

**Thomas Cook**

## COMMERCIAL MANAGER

Applications are invited for the position of Commercial Manager with full responsibility for the company's Commercial Department which consists of the following divisions:

- (1) CHARTERING
- (2) OPERATIONS
- (3) MARKETING RESEARCH AND DEVELOPMENT

The company, established by OAPEC, is engaged in the business of maritime transport worldwide of hydrocarbon products.

### QUALIFICATIONS:

- A university degree in commerce, economics or any other related discipline.
- Must have substantial experience of a similar nature in a large reputable organisation, a good part of which should be in a tanker company.
- Excellent knowledge of English language.

We offer attractive salary based on personal qualifications and experience with benefits including free accommodation, use of a car and other fringe benefits. Please apply in confidence to the following address sending a résumé with full details of career experience and qualifications indicating starting date and salary expectations.

ADDRESS: MANAGING DIRECTOR'S OFFICE  
ARAB MARITIME PETROLEUM TRANSPORT COMPANY  
P.O. BOX 22525 SAFAT — KUWAIT

## MANAGING DIRECTOR

FOR BANK-LIKE FINANCE  
COMPANY IN SWITZERLAND

Newly established bank-like finance company incorporated in Switzerland with equity capital in SFR nine figures seeks Swiss national to assume responsibility of Managing Director. Position requires an individual capable of developing and implementing a strategic plan as well as administering day-to-day activities.

Given the international focus of the company, preferred candidate will have an MBA or equivalent, ten years plus banking experience including a background in Euro-currency operations and Euro-money markets. Proficiency in English required. Proficiency in German and/or French preferable. Send resume including educational and professional background as well as salary history in complete confidence to:

Box A7385, Financial Times  
10 Cannon Street, London EC4P 4BY

### EMPLOYMENT CONSULTANTS ABROAD LIMITED

An International Association of Employers providing confidential information to its member organisations, not individuals, relating to employment of expatriates and nationals worldwide.  
01-637 7604

## Internal Auditors

Libya  
c.£16,000 Tax Free

Required for an international oil company. The successful applicants must be qualified accountants, aged 35-45 years, with several years audit experience in the oil industry or a large manufacturing company.

Free married accommodation.

Apply to: Ken Brigden on 01-580 0191,  
Whitehead Technical Services Limited,  
2d, Wimpole Street, London W1M 7AA.

**WHITEHEAD**

## LIBERIA

Financial Controller reporting to President of important producing/manufacturing corporation.

Responsible for:—

1. All finance and accounting operations;
2. Production of monthly operating statements and quarterly financial accounts;
3. Supervision of accounts department.

Required UK qualification ACA, ACCA, ICMA, ASCA and minimum three years' commercial experience with manufacturing company. A period of employment in West Africa would be an advantage. Salary negotiable in accordance with experience but around US\$35,000 p.a. plus usual overseas benefits. Reply in confidence with full details of current/past positions to:

Box A.7942, Financial Times, 10 Cannon Street  
London EC4P 4BY

## COMPANY FOR HOUSING AND HABITAT IN AFRICA (SHELTER-AFRIQUE):

Post of MANAGING DIRECTOR  
Post of SECRETARY GENERAL  
Position of EXTERNAL AUDITING FIRM.

SHELTER-AFRIQUE is a newly established Housing Finance Institution with Headquarters in Nairobi (Kenya). Its membership comprises African Governments as well as regional, sub-regional and non-African institutions. The Company's primary objective is to assist the African Member Governments in the formulation of coherent and effective housing policies, and in the implementation of approved national housing projects through the mobilization of capital from which loan and equity resources can be made available to national housing development institutions for approved schemes in the Member Countries; and providing technical assistance to Member Governments in the sphere of housing.

### I. MANAGING DIRECTOR

- (a) **Duties**  
The Managing Director shall be the Chief Executive of the Company. These duties shall involve:—  
— conducting, under the general directives of the Board of Directors, the day-to-day business of SHELTER-AFRIQUE;  
— serving as the Chief of Staff of the Company;  
— serving as the legal representative of the Institution.
- (b) **Qualifications**  
1. Candidates should be nationals of an African Member Country.  
2. Candidates must have a degree, preferably at post-graduate level in Housing Finance and Development or a closely-related discipline.  
3. Candidates should have at least 10 years' working experience, preferably in the African region.  
4. Candidates must have excellent knowledge of either English or French; working knowledge of the second language will be an added asset.  
5. Candidates must be able to work in close collaboration with people of various nationalities.  
(c) The appointment shall be for a term of 3 years and may be renewed.  
(d) The remuneration package is tax-free and includes free housing, Company car and other allowances.

### II. SECRETARY GENERAL

- (a) **Duties**  
— to provide secretariat services for the decision-making bodies;  
— to ensure general co-ordination of documentation, harmonization of communication channels;  
— to organize and supervise the custody and the use of seals and certify signatures and documents.
- (b) **Qualifications**  
1. Candidates should be nationals of an African Member Country.  
2. Candidates must have a degree, preferably at post-graduate level in Business Administration, Management or a closely-related discipline.  
3. Candidates should have at least 8 years' experience, preferably in the African region.  
4. Candidates must have excellent knowledge of either English or French; working knowledge of the second language will be an added asset.  
(c) The appointment shall be for a term of 3 years and may be renewed.  
(d) The remuneration package is tax-free and includes various allowances.

### III. EXTERNAL AUDITING FIRM

- (a) **Duties**  
The External Auditing Firm shall perform an audit of the accounts of the company as stipulated in the company Statutes in order to certify:—  
— that the Annual Statement of Accounts, including the General Balance Sheet and the Statement of Profit and Loss of the Company is in accordance with its books and records;  
— that the financial transactions reflected in these annual financial statements have been in accordance with the rules and regulations, the budgetary provisions, and other applicable financial decisions;  
— that the financial statements are in conformity with internationally accepted accounting principles;  
— that the securities and moneys on deposit and in hand have been verified by certificates received direct from the company's depositories or by actual count.
- (b) **Qualifications**  
The Auditing Firm should:  
(i) be internationally reputable;  
(ii) be headquartered in Africa or have close relations with African countries;  
(iii) have proven audit experience in housing finance operations, particularly in Africa;  
(iv) have practical experience in the auditing of companies with multi-currency operations;
- (c) **Remuneration:** Negotiable.

### IV. Applications, giving an up-dated curriculum vitae, addresses of three references should be sent to:

SHELTER-AFRIQUE  
c/o AFRICAN DEVELOPMENT BANK  
01-B.P. 1387  
ABIDJAN-01  
(Ivory Coast)

To reach the Bank not later than 15 September, 1982.

## Chief Accountant

Muscat, Oman

c. £18,000 tax free

This is a challenging position with a highly-regarded diverse Construction and Trading group based in Oman. They are effectively managed by a professional team who report to the General Manager. They seek a qualified Accountant (aged 30-40), preferably with overseas experience. Responsibility will be taken for the total finance and accounting function which cover a wide range of activity. It is expected that a major contribution will be made in two main areas: viz. the computerisation of systems and procedures and the significant improvement of the company's management information systems and investments monitoring. Applicants may be of single or married status. The company offer a tax free salary, villa accommodation, company car, free medical expenses and generous leave. Interested applicants should contact John Sheldrake, Manager—Michael Page International, by sending a comprehensive C.V. to 31 Southampton Row, London WC1B 5HY. Tel. No. 01-405-0442. Telex No. 296091.

**MP**  
Michael Page International  
Recruitment Consultants  
London Birmingham Manchester Glasgow

## Qualified Accountant

Saudi Arabia c.£14,000 p.a.

Our client is an international UK Group, which markets and distributes construction equipment worldwide. Business in Saudi Arabia is handled by a joint venture which is established as market leader.

The Accountant is responsible for all aspects of the existing monthly reporting accounts system, covering several locations. Reporting to the General Manager, other duties include: preparation and operation of budgets and financial controls; cash flow reports; company secretarial functions and participating with management in the running of the business. There is a competent accounts staff and the prospect of developing data processing systems.

In addition to a low-tax salary of c.£14,000 p.a. bachelor accommodation and regular leave is provided as part of a two-year contract which will suit someone who is willing to take responsibility and gain experience in a challenging and competitive environment.

Reply, with curriculum vitae, to: Confidential Reply Service, Ref. AMQ 8491, Austin Knight Limited, London W1A 1DS.

Applications will be forwarded to the client concerned, those companies in which you are not interested should be listed in a covering letter to the Confidential Reply Supervisor.

**Austin Knight Advertising**



## SWITZERLAND

The Bank FOR INTERNATIONAL SETTLEMENTS  
an international institution in Basle

is seeking a

**CLERK**

(age 22-27)

for its Banking Department.

General banking and foreign exchange experience required. A fairly good knowledge of German and if possible French desirable.

Excellent working conditions in an international atmosphere. Attractive salary. Five weeks' annual leave. First-class pension and welfare schemes and other benefits. Own sports centre. Interested applicants are invited to write to the Personnel Manager, Bank for International Settlements, 4002 Basle, Switzerland, enclosing full personal details, references and a photograph. Applications will be treated in strict confidence.

## ARAB BANKING CORPORATION

Offers excellent opportunities for:

1. A Research Officer with a University Degree in Economics, at least 3 years experience and fluency in Arabic and English;
2. A Business Librarian with a University Degree in Library Science and experience in industry and/or Banking; and
3. A Credit Analyst with one or two years experience in an International Banking environment and preferably a University Degree and some computer experience.

All the appointments will be based in Bahrain.

Please send your resumé to:

Administration and Personnel  
Arab Banking Corporation (B.S.C.)  
P.O. Box 5698  
Manama  
Bahrain

INTERNATIONAL APPOINTMENTS

APPEARS EVERY THURSDAY

WORLD STOCK MARKETS

Dow 2.6 easier at mid-session

Companies and Markets

NEW YORK

Table of stock prices for various companies in New York, including ACF Industries, Amstar, and others.

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STOCKS ON Wall Street tended easier to moderately active dealers yesterday morning.

Analysts said investors continue to be concerned about the economy, including widespread lower corporate earnings and Congress's attempt to raise taxes.

They added that the economic concern continued to stall an expected technical rally they still expect to be followed by a market picture will brighten.

The Dow Jones Industrial Average shed 2.66 to 776.64 at 1 pm, a new 27-month low.

The NYSE All-Common Index declined 24 cents to 536.89, and the S&P 500 fell 1.15 to 125.25.

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However, Hitech picked up Y7 to Y550, Fujitsu Y14 to Y762, Fujitsu Cable Y19 to Y240, Sumitomo Electric Y4 to Y262, Mitsumi Y14 to Y262, and Mitsubishi Metal Y7 to Y262.

Major Retailer Myer highlighted trading with a fresh rise of 5 cents to A\$1.44. There is speculation that the Melbourne-based Georgan family is set to make a take-over offer for Myer after acquiring 65 per cent of the equity earlier this week.

Germany Pessimism over AEG-Telefunken's chances of reaching a court settlement with its creditors depressed sentiment across the board and led particularly to a sharp decline in shares. The Commerzbank Index finished 3.9 weaker at 669.2.

The three major Commercial Banks declined to 1982 lows, with AEG consortium leader Dresdner shedding DM 2.50 to DM 124.90, Deutsche DM 4 to DM 254.50, and Commerzbank DM 1.70 to DM 125.

AEG saw heavy turnover, estimated at about 40,000 shares. Early fresh selling pressure was believed to be partly from one of the big banks but it recovered from an initial near all-time low of DM 22.70 to finish DM 0.30 harder on the day at DM 24.30.

Singapore Stock prices tended to fall afresh yesterday following Tuesday's sharp and broad-based setback. The Singapore Straits Times Industrial Index, which dropped 3.24 the previous day, ended 13.24 weaker at 578.85, its lowest level for about the past two years.

The main factor behind the recent depression here was a warning from Prime Minister Lee Kuan Yew that the Government was over for Singapore and that the country could expect a less than five per cent economic growth rate this year.

However, a lighter note from the sector, Singapore Development Bank advanced S\$1 to S\$6.55 after announcing good earnings for the first half of the year.

Australia Mixed and mainly narrow. The main factor behind the recent depression here was a warning from Prime Minister Lee Kuan Yew that the Government was over for Singapore and that the country could expect a less than five per cent economic growth rate this year.

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Paris Bursa prices were mainly weaker in this domain, depressed by the renewed firmness of the U.S. dollar against the French franc.

Japan Kubota, Kyocera, and others. The main factor behind the recent depression here was a warning from Prime Minister Lee Kuan Yew that the Government was over for Singapore and that the country could expect a less than five per cent economic growth rate this year.

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Canada Markets presented a mixed appearance at mid-day after a fair business. The Toronto Composite Index was down 1.69 at 2925.1, a two-year closing low, and making a seven-day drop of 326.20. The Toronto SE Index retreated a further 2.15 to 512.66. Turnover was still light, coming to 190m shares compared with Tuesday's 170m.

Light Electricals, Steels, Shipbuilders, Shipping Lines and Machinery all registered significant losses, and the securities market section also fell sharply. Some Computer Makers, Optical Fibres and Non-Ferrous Metals improved against the trend.

Canada Electronics Y200 to Y3,300, Kawasaki Y4 to Y118, Nippon Steel Y2 to Y126, Toshiba Y5 to Y264, Yaskawa Electric Y10 to Y552, Toyota Motor Y6 to Y306, Hitachi Gsk Line Y12 to Y170, Yusei Y13 to Y215, Sanko Steamship Y7 to Y189, and Kawasaki Heavy Y6 to Y143.

France ANCA Intl., Abitibi, Agnico Eagle, and others. The main factor behind the recent depression here was a warning from Prime Minister Lee Kuan Yew that the Government was over for Singapore and that the country could expect a less than five per cent economic growth rate this year.

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Notes: Prices on this page are quoted on the individual companies and are based on the latest available information. All prices are in U.S. dollars unless otherwise indicated.

Indices

Table of stock indices including Dow Jones, S&P 500, and others.

NEW YORK

Table of stock prices for various companies in New York.

STANDARD AND POORS

Table of stock prices for various companies in Standard and Poors.

INDICES

Table of stock indices for various countries.

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Financial Times Thursday August 12 1982

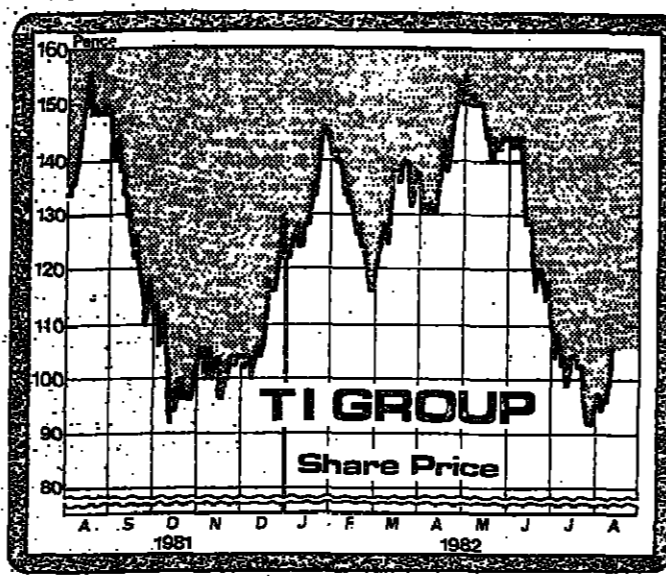
Companies and Markets

LONDON STOCK EXCHANGE

More hopeful view of American interest rate trends stimulates Gilt-edged securities and equities follow

Account Dealing Dates
First Declared Last Account
Delinquency Dates
Aug 2 Aug 12 Aug 13 Aug 23

affected by trading announcements or on stocks otherwise in the news.
Heavy underwriting losses by General Accident following disclosure of the firm's financial position the previous day, upset Composite Insurances. On the other hand, recently depressed TI recovered on relief with the first-half profit in place of the expected further loss.



its warning which accompanied the interim figures, HL Holdings remained on offer and fell 10 further to 270p in a restricted market.
Fisons good
Reports of a broker upgrading a profits forecast ahead of the interim results scheduled for next month helped Fisons to jump 17 to 370p and feature otherwise lacklustre miscellaneous industrial. BOC rallied 4 for a two-day improvement of 7, to 167p in anticipation of today's third-quarter figures. Glaxo firmed 10 to 725p and Unilever 5 to 600p, while BTR, 318p, and Reed International, 270p, gained 4 pence.

The metal trade within a narrow range all day, and closed at \$32.50, down \$4.50 while the Gold Mines index put on 3.4 to 251.1.
Most of the interest was confined to the better-quality issues, with Ramdentein Estates at £25 1/2 and Vial Reefs at £30 1/2 both around 1/2 to the good, while gains of 1/2 were common to Hartbeest at £28 1/2, Free State Gold at £12 1/2 and Western Holdings at £16 1/2.

Trade was relatively light and largely professional, but the appearance of one or two overseas buying orders added spice to the day's proceedings. The undertone suggested that the chances of another early cut in clearing bank base lending rates had not entirely ruled out providing sterling remains stable. With the exception of the unofficial top Treasury 12 per cent 'A' 1987, which stayed short of the authorities' expected selling price of 9 1/2, medium and longer-dated stocks did best with fresh gains ranging to 1/2. The shorts were less impressive with rises of around 1/2.

Chinese Bonds attracted occasional speculative interest, but revived hopes that compensation talks may begin next spring. Hukang Railway 5 per cent moved up 3 points to £16 and several other issues closed around two points better, including the 5 per cent Boxer at £8.

perence reported yesterday by General Accident served to depress Composite Insurances over the weekend. A couple of days later immediately ahead of the statement, fell sharply on it to finish a net 16 down at 282p. CU, however, softened only a penny more for a two-day decline of 4 to 433p. Royals, the next to report half-yearly results, on August 16, fell 15 to 340p. Against the trend, Eagle Star responded to further suggestions that Alliance might be about to bid for the company and closed 2 higher at 330p, after 334p.

Woolworths steady
The first-half deficit reported by F. W. Woolworth proved to be no worse than generally feared and the shares, underpinned in recent months by yield considerations, were cheered by the maintenance of the interim dividend and after an active business the close was a penny harder at 46p. Other Store majors also displayed a firmer tone, although trade was described as sparse. Marks and Spencer improved a few pence to 470p. Rowntree put on 6 to 353p, but nervous selling ahead of the results due later this month left Quest Automata 3 down at 182 1/2 p.

General Accident fall
Coming hard on the heels of Commercial Union's poor interim figures, the near-88 per cent drop in first-half profits and sharply deteriorating underwriting ex-

perience reported yesterday by General Accident served to depress Composite Insurances over the weekend. A couple of days later immediately ahead of the statement, fell sharply on it to finish a net 16 down at 282p. CU, however, softened only a penny more for a two-day decline of 4 to 433p. Royals, the next to report half-yearly results, on August 16, fell 15 to 340p. Against the trend, Eagle Star responded to further suggestions that Alliance might be about to bid for the company and closed 2 higher at 330p, after 334p.

Closing gains in the Electrical sector were limited to a few pence following a small trade. BICC added 3 to 282p as did Plessey to 515p. Investment support helped Eurotherm to gain 7 to 470p. Rowntree put on 6 to 353p, but nervous selling ahead of the results due later this month left Quest Automata 3 down at 182 1/2 p.

Hampton Areas closed 4 up for a two-day gain of 10 to 180p on vague takeover hopes.

Lasmo advance
Lasmo featured Oils with a rise of 20 to 295p, while British Petroleum improved 4 to 202p following the announcement of a joint deal between the two companies to acquire Dome Petroleum's exploration and production interests outside of North America, principally in Indonesia. Dome fell 15 to 186p. Elsewhere, interest was enlivened in several offshore exploration issues following the awarding of new licences. Carris Capel improved 4 to 152p and Mariner 7 to 82p, while Floyp gained 5 to 75p and Clyde Petroleum 10 to 80p.

South African Financials were quiet, with Gold Fields of South Africa picking up 1/2 to £23 1/2. AngloGold to £32 1/2. Vegels gained 10 to 100p following the higher profits for the half-year to June 30. Middle Whits ended a similar amount higher at 450p, but UC Investments lost 2 to 490p.

Coals lost a little ground, with Transvaal Consolidated down 1/2 to £19 1/2 and Amcoal 1/2 weaker at £17 1/2, but Diamonds showed Amant 1/2 to the good at £26.

FINANCIAL TIMES STOCK INDICES
Table with columns for various indices (Government Secs, Fixed Interest, Industrial Ord., etc.) and their values for different dates.

HIGHS AND LOWS
Table showing high and low prices for various stock categories like Govt. Secs, Fixed Int., Ind. Ord., and Gold Mines.

Tuesday's newcomer Pactrol Electronics (formerly Pactrol Investment Trust) improved 3 to 175p, while the all-paid shares resulting from the rights issue rose 5 to 97p premium.

Leading Breweries attracted useful institutional support from the outset, and although interest subsided during the afternoon, the undertone remained firm with most finishing at the day's best. Bass, 237p, and Grand Metropolitan, 244p, both added 5 pence to their previous closing prices, while Greenall Whitley, 151p, and Whitbread, 134p, rose 4 pence. Demand also spilled over to Wines and Spirits and Distillers were briskly traded before closing 3 up at 186p.

Still reflecting the second-half profit and final dividend warnings, Ocean Transport remained a poor market in Shippings and fell 5 for a two day loss of 21 to 83p. P. and O. Deferred reacted afresh in sympathy to 139p before recovering 15 to 186p, while a penny firmer on balance at 143p.

Unsettled at late by fears of a new price and adverse Press comment, Tobaccos staged a modest rally with the help of good quality investment support. Closed 9 higher at 465p, while Imps rose 2 to 94p.

FT-ACTUARIES SHARE INDICES
Table showing indices for various actuarial categories like Pension Funds, Life Insurance, etc.

NEW HIGHS AND LOWS FOR 1982
Table listing new high and low prices for various stocks in 1982.

London Clearing Banks' balances as at July 21 1982

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. They are prepared by the London clearing banks and cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the monetary sector.

TABLE 1. AGGREGATE BALANCES
Table showing total and change on month for liabilities (Sterling deposits, UK private sector, etc.) and assets (Total deposits, Other liabilities, etc.).

TABLE 2. INDIVIDUAL GROUPS OF BANKS BALANCES
Table showing liabilities and assets for individual bank groups like Lloyds, Midland, Westminster, etc.

FT-ACTUARIES SHARE INDICES

Table showing various actuarial indices and their values for different dates.

Table showing average gross redemption yields for various fixed interest securities like British Government, Local Authorities, etc.

RISES AND FALLS YESTERDAY

Table showing rises and falls in share prices for various categories like British Funds, Corporate, Industrial, etc.

ACTIVE STOCKS

Table showing active stocks and their price changes, including American Intl, BP, Distillers, etc.

\* First year. Higher and lower record, base date, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Cannon Street, London, EC4A 3DF, by post 15p, by post 28p.

CURRENCIES and MONEY

Dollar very strong

The dollar was generally firmer in currency markets yesterday. Euro-dollar rates showed little change but the dollar remained underpinned by a growing feeling that U.S. interest rates were unlikely to fall just yet.

DM 4.27 and SwFr 3.66 from SwFr 3.6450. It was also higher against the French franc at FF 11.9050 compared with FF 11.8675.

Sterling closed at its lowest level against the dollar since December 1976 but improved against European currencies. DOLLAR - Trade weighted index (Bank of England) 122.6 against 121.9 on Tuesday and 112.0 six months ago.

STERLING - Trade weighted index 90.8 against 90.9 at noon and the opening and 91.0 at noon (91.6 six months ago). Three-month interbank 11 1/2 per cent (14 1/2 per cent six months ago).

THE DOLLAR SPOT AND FORWARD

Table with columns: Aug 11, Day's spread, Close, One month, % Three months, % Six months. Lists various currencies like U.S., Canada, U.K., etc.

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CURRENCY MOVEMENTS CURRENCY RATES

Table with columns: Aug 11, Bank of England Index, Morgan Stanley, August 11, Bank of England Index, Morgan Stanley. Lists various currencies like Sterling, U.S., etc.

OTHER CURRENCIES

Table with columns: Aug 11, £, \$, Note Rates. Lists various currencies like Argentina, Australia, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: ECU, Currency, % change, % change, Divergence. Lists various currencies like Danish, German, etc.

EXCHANGE CROSS RATES

Table with columns: Aug. 11, Pound Sterling, U.S. Dollar, Deutsche Mark, etc. Lists various currencies and their exchange rates.

FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 11)

Table with columns: 3 months U.S. dollars, 6 months U.S. dollars. Lists interest rates for various currencies.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with columns: Aug. 11, Sterling, U.S. Dollar, Canadian Dollar, etc. Lists interest rates for various currencies.

MONEY MARKETS

UK clearing bank has lending rate 1 1/2 per cent (since July 30 or August 2 and 3). UK interest rates were slightly firmer where changed yesterday, reflecting sterling's poor performance against the dollar.

EUROCURRENCIES Eurodollars steadier

Euro-dollar rates showed mixed changes yesterday although they retained a firm undertone ahead of tomorrow's weekly money market fixings. These are expected to show a considerable rise and together with further Treasury funding on Monday should ensure that Euro-dollar rates remain firm.

MONEY RATES LONDON MONEY RATES

Table with columns: Aug. 11, Sterling, U.S. Dollar, Canadian Dollar, etc. Lists interest rates for various currencies.

MONEY RATES NEW YORK

Table with columns: Prime rate, Fed funds, Treasury bills, etc. Lists interest rates for various currencies.

MONEY RATES LONDON MONEY RATES

Table with columns: Aug. 11, Sterling, U.S. Dollar, Canadian Dollar, etc. Lists interest rates for various currencies.

MONEY RATES LONDON MONEY RATES

Table with columns: Aug. 11, Sterling, U.S. Dollar, Canadian Dollar, etc. Lists interest rates for various currencies.

FT UNIT TRUST INFORMATION SERVICE

A large grid of financial data under the heading 'AUTHORISED TRUSTS'. It lists numerous trust companies and their various fund offerings, including equity, income, and specialty funds. Each entry includes the company name, fund name, and key performance metrics.

SERVICE

July 2015

INSURANCE & OVERSEAS MANAGED FUNDS

Main table containing financial data for various insurance and managed funds, including company names, fund names, and numerical values.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas managed funds with their respective details.

Vertical text on the right edge of the page, possibly a page number or additional page indicator.





Roman House (3rd Floor) Wood Street, London EC2Y 6SP United Kingdom. Telephone 071-629-2931. Telex: 51672979 (SISECC)

MINES-Continued

Central African

Table with columns: Stock, Price, Div, Yld, etc. for Central African mines.

Australian

Table with columns: Stock, Price, Div, Yld, etc. for Australian mines.

Tins

Table with columns: Stock, Price, Div, Yld, etc. for tin stocks.

Miscellaneous

Table with columns: Stock, Price, Div, Yld, etc. for miscellaneous stocks.

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominated in 25p. Estimated price/carnings ratios and covers are based on latest available figures...

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Table listing regional and Irish stocks with columns for stock names, prices, and dividends.

OPTIONS

3-month Call Rates

Table showing 3-month call rates for various locations.

OIL AND GAS-Continued

Table listing oil and gas stocks with columns for stock names, prices, and dividends.

OVERSEAS TRADERS

Table listing overseas traders with columns for stock names, prices, and dividends.

PLANTATIONS

Table listing plantation stocks with columns for stock names, prices, and dividends.

Teas

Table listing tea stocks with columns for stock names, prices, and dividends.

MINES

Central Rand

Table listing Central Rand mines with columns for stock names, prices, and dividends.

Eastern Rand

Table listing Eastern Rand mines with columns for stock names, prices, and dividends.

Far West Rand

Table listing Far West Rand mines with columns for stock names, prices, and dividends.

O.F.S.

Table listing O.F.S. stocks with columns for stock names, prices, and dividends.

Finance

Table listing finance stocks with columns for stock names, prices, and dividends.

OIL AND GAS

Table listing oil and gas stocks with columns for stock names, prices, and dividends.

Diamond and Platinum

Table listing diamond and platinum stocks with columns for stock names, prices, and dividends.

INVESTMENT TRUSTS-Cont.

Table listing investment trusts with columns for stock names, prices, and dividends.

SHIPPING

Table listing shipping stocks with columns for stock names, prices, and dividends.

SHOES AND LEATHER

Table listing shoes and leather stocks with columns for stock names, prices, and dividends.

SOUTH AFRICANS

Table listing South African stocks with columns for stock names, prices, and dividends.

TEXTILES

Table listing textile stocks with columns for stock names, prices, and dividends.

TOBACCO

Table listing tobacco stocks with columns for stock names, prices, and dividends.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land stocks with columns for stock names, prices, and dividends.

PROPERTY-Continued

Table listing property stocks with columns for stock names, prices, and dividends.

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LEISURE-Continued

Table listing leisure stocks with columns for stock names, prices, and dividends.

MOTORS, AIRCRAFT TRADES

Table listing motor and aircraft trade stocks with columns for stock names, prices, and dividends.

Garages and Distributors

Table listing garage and distributor stocks with columns for stock names, prices, and dividends.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publisher stocks with columns for stock names, prices, and dividends.

PAPER, PRINTING

Table listing paper and printing stocks with columns for stock names, prices, and dividends.

PROPERTY

Table listing property stocks with columns for stock names, prices, and dividends.

INDUSTRIALS-Continued

Table listing industrial stocks with columns for stock names, prices, and dividends.

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LEISURE

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E. Berlin 'faces debt problems'

By James Buchan in Bonn

EAST GERMANY could face difficulties soon repaying its foreign currency debt because of Western banks' increasingly cautious attitude towards lending to the East bloc, according to DIW, an authoritative West German institute for economic research.

In a report published today, it also says the squeeze has obliged East Germany to accept lower rates of economic growth. Quoting the Bank for International Settlements, the institute says about 40 per cent of East Germany's hard currency debt of more than \$10bn (\$5.5bn) has a maturity of less than a year.

Foreign debt at the end of June was estimated by the BIS at \$9.2bn (\$7bn net). This does not include \$1.4bn in credits from West Germany, additional sums from banks not reporting to BIS or from non-banks, and supplier credits.

DIW believes the "crisis in confidence" over lending to East Europe which has accompanied rescheduling for Polish and Romanian debt will make it hard for East Germany to raise new western credits.

The country depends partly on foreign borrowing to meet the targets of its latest five-year plan launched last year.

East Berlin is already having difficulty extending the life of maturing credits, the institute says.

On the basis of BIS figures, the institute says East Germany reduced its overall hard-currency debt by \$1bn in the first quarter.

But it does not have the resources to continue at this rate, nor can trade surpluses anywhere near make up the difference.

While East Germany does not publish balance of payments figures, DIW believes the squeeze on hard currency contributed to the 6 per cent drop in consumption of raw materials and energy announced for the first half of this year.

Deliveries from the Soviet Union have been lower than expected and recourse to the West has been limited by the currency position.

The East Germans said in a report on the first six months of the five-year plan that economic growth, at 3 per cent, was well below the 4.5 per cent target and the lowest rate for several years.

Romania has resolved its debt problems to the point that it may be eligible for new U.S. farm credits, according to Mr John Scanlan, Deputy Assistant Secretary of State. He was urging Congress to continue giving most-favoured nation status to Romania, Hungary and China.

In Warsaw representatives of Western creditor banks conferred yesterday with Polish bank and government officials on rescheduling Poland's debts due this year.

The talks involve eight bankers representing about 500 creditor banks owed about \$2.4bn this year.

Protectionism moves threaten rescheduling, Page 8; Mexican companies seek to reschedule debt, Page 24.

LUXEMBOURG SECURES GUARANTEES ON DEBTS

Crackdown on Italian banks

BY RUPERT CORNWELL IN ROME

ITALIAN BANKS with branches in Luxembourg which are controlled by holding companies there yesterday agreed to comply with a stark ultimatum presented by the Grand Duchy authorities. The authorities' move followed the collapse of Banco Ambrosiano of Milan, and Italy's refusal to take responsibility for the debts of its Luxembourg affiliate.

Telex messages sent on Monday by M Pierre Jaans, Luxembourg's banking commissioner, had given the Italian parents of the six banks till 6 pm to give immediate unconditional guarantees covering any eventual debts incurred by their affiliates. Otherwise, he had

threatened, their Luxembourg operating licences would be withdrawn.

The move, believed to be unprecedented in recent times, reflected the Luxembourg authorities' irritation at Italy's refusal to accept ultimate responsibility for the \$445m (£282m) of debt run up by Banco Ambrosiano Holdings of Luxembourg. The bank was 69 per cent controlled by Banco Ambrosiano of Milan, which is now in liquidation.

Luxembourg is also believed to be anxious about the repercussions of the scandal on the credibility of the Grand Duchy as an international banking centre.

The bank's compliance was agreed on Tuesday afternoon with Dr Carlo Ciampi, governor of the Bank of Italy, and representatives of the banks affected.

The six all large state-controlled banks are Banca Nazionale del Lavoro, Banca Commerciale, Credito Italiano, Banco di Roma, Banco di Santo Spirito and Banco di Napoli. All have indicated they can meet the request without problems.

The Luxembourg ultimatum underlines the strains that have been put on the normally smooth behind-the-scenes co-operation between bank supervisory authorities.

Both Luxembourg and Italy are members of the Basle Committee on Banking Regulations and Supervisory Practices. This was set up after the collapse of the West German Herstatt Bank

in 1974 to ensure better co-ordination of national authorities' surveillance of the international banking system.

M Jaans is also demanding that the Italian parent banks subsequently transfer the controlling block of shares in each subsidiary from the holding company directly into their own portfolios.

A local tribunal in Luxembourg has dismissed two of the three-man board of Banco Ambrosiano Holding, itself installed only a week ago. The affairs of the troubled concern are now in the sole hands of M Rene Furtermans, director-general of the Luxembourg Bankers' Association.

Scene, Page 27

EEC sends Washington text of Siberian pipeline challenge

BY GILES MERRITT IN BRUSSELS

THE EEC last night sent Washington the text of its case challenging the U.S. Government's attempt to block the supply of Western equipment for the Siberia-West Europe gas pipeline.

The EEC argument hinges on its belief that Washington has infringed international law through its embargo on the use of U.S. licensed technology by European companies building components for the pipeline. The embargo could cost European suppliers up to \$5bn worth of business.

While there was little conviction in Brussels yesterday that the EEC's legal arguments would be powerful enough to deflect the embargo, it was felt that arguing the infringement of international law would weigh more heavily in the longer term in the EEC's opposition to the U.S. move.

West Germany and Italy urged that the arguments should focus on the weakness of U.S. law in relation to the embargo, but determined negotiation, notably by the UK and French governments brought a change in the nature of the challenge.

The EEC text has been sent well before the August 21 deadline set by the U.S. for latest comments on its embargo decision.

Signed by all member states, it warns that the embargo could cause the Soviet Union to develop its economy and expand its technological capacities, rather than cause it damage.

The document rebuts the U.S. argument that EEC countries risked becoming too dependent on Soviet gas supplies. It says the U.S. move

seriously damages key European industries.

Reginald Dale, U.S. editor, in Washington adds: The EEC move came the day after an important committee of the U.S. Congress dealt a politically significant, though largely symbolic, blow to President Ronald Reagan's policy of sanctions against the pipeline.

Seven Republicans on the House Foreign Affairs Committee sided with the Democratic majority in a 21-12 vote against the sanctions. The republican rebels argued that the sanctions had proved ineffective, had severely damaged the Atlantic alliance and cost thousands of U.S. jobs.

The committee's action, however, was regarded even by its supporters as unlikely to lead to a reversal of government policy.

If the bill is passed by the House, it would still face strong opposition in the Republican-controlled Senate.

Falling this it would almost certainly run into a presidential veto.

Mr George Shultz, the Secretary of State, nevertheless sent a letter to the committee, saying the bill would cripple the President's ability to pursue one of his major foreign policy goals.

BSC to axe another 1,122 jobs

BY OUR INDUSTRIAL STAFF

THE British Steel Corporation has announced it is to close three more operations, with the loss of 1,122 jobs. The retooling mills at Lipton, West Midlands, are to be shut with the loss of 480 jobs following failure of public and private-sector producers to agree a retooling rationalisation scheme.

One of three blast-furnaces at the Ravenscraig bulk-steel works near Glasgow is to be taken out of operation because of lack of orders, causing 320 redundancies.

The Hartlepool coke-ovens are to close in September with the loss of 322 jobs following review of the cost of coke supplied to the nearby Redcar bulk-steel-making plant.

The corporation acquired the Tipton retooling operations, known as London Works, in April 1981 from Dupont as part of a first step to rationalisation in the sector. Dupont, a private-sector metals group, decided to abandon its loss-making steel-making operations and BSC agreed to take on its retooling and bright-bar operations on a caretaker basis pending further agreement on rationalisation.

The corporation said yesterday the failure of companies in retooling sector to agree to further rationalisation made it necessary to close London Works, which was suffering unsustainable losses.

The corporation believed capacity in the sector needed to be halved from the current 3.5m tonnes a year. London Works represented about a tenth of total capacity.

The corporation said that at Ravenscraig further redundancies might result if it became necessary to remove the blast-furnace altogether. The low level of activity in the slabbing-mill could also mean additional job losses. A third blast-furnace was commissioned at the works only last November.

Manning levels at Ravenscraig have fallen by 500 since the end of 1981. Redundancies announced yesterday would reduce total employment at the works to about 4,700.

Stark choice for U.S. steel town, Page 4

General Accident results disappoint

By Eric Short

GENERAL Accident Group, Britain's leading motor insurer, returned to profits in the second quarter, making £17.2m pre-tax after an £11m loss in the first quarter.

However, the resultant £6.2m for the half-year, announced yesterday, compared with £4.6m at the same stage last year. The outturn shows the effects of increasing competition in world markets on UK insurance companies.

General Accident is keeping its interim dividend unchanged at 7.5p. The stock market showed its disappointment with the results and the share price fell 16p to 282p.

The poor result follows a similar story from another leading UK insurance group, Commercial Union Assurance, which on Tuesday reported that its pre-tax profit for the first six months were down by two thirds from £41.2m in the comparable 1981 period to £14.2m. CU also held its interim dividend unchanged at 4.35p.

Both groups reported steadily rising underwriting losses from severe weather last winter, and increasingly difficult trading conditions in almost all major operating territories.

General Accident's underwriting losses at the half-year—the excess of claims and expenses payments over premiums received—had risen nearly fourfold from £22.1m last year to £84m.

However, continuing high interest rates both in the UK and U.S. enabled General Accident to increase investment income earned on the cash flow and reserves from £72.5m to £89.8m. This income, together with profits on life business, enabled General Accident to show a small pre-tax profit.

CU's investment income rose to £112.1m from a comparable £87m during the period.

Results, Page 16

Weather

UK TODAY  
CLOUDY with showers Midlands and S. England  
Cloudy with occasional rain, becoming brighter. Max 23C  
Wales, N. England, N. Ireland and S. Scotland  
Increasingly difficult, few showers. Max 20C (86F)  
N. Scotland  
Cloudy with heavy showers. Max 16C (61F)  
Outlook: becoming cooler

WORLDWIDE

Y'day midday °F Y'day midday °C

Aleppo S 27 81 London F 22 72  
Algiers S 28 82 L. Angl. C 20 68  
Amman S 27 81 Luxembourg F 22 72  
Athens S 27 81 Madrid S 30 86  
Bahrain S 27 81 Marjona S 31 88  
Barcelona S 27 81 Mexico C 28 82  
Beirut S 27 81 M. Ch. C 30 86  
Belgrad S 23 73 Moscow C 19 66  
Bombay S 27 81 N. York C 21 70  
Buenos Aires S 27 81 N. Mex. C 27 81  
Cairo S 27 81 N. Mex. C 27 81  
Cape T. S 27 81 N. Mex. C 27 81  
Chicago S 27 81 N. Mex. C 27 81  
Colombo F 26 79 Oyo F 21 70  
Copenhagen S 27 81 Paris F 24 75  
Cortez S 27 81 Perth F 23 73  
Denver F 26 79 Prague F 23 73  
Dublin C 21 70 Reykjavik S 10 50  
Dunedin S 27 81 Rome S 33 91  
Edinburgh C 21 70 Rio Jof F 25 77  
Faro S 29 84 Rome S 29 84  
Florence S 32 90 Salzburg F 25 77  
Glasgow C 21 70 Moscow C 21 70  
Helsinki C 20 68 Munich F 24 75  
Hanoi S 27 81 N. York C 21 70  
Harbin S 27 81 N. York C 21 70  
Hong Kong S 25 77 Taipei C 27 81  
Innsbruck S 27 81 Tokyo C 27 81  
Istanbul S 27 81 Toronto F 12 54  
Jersey S 27 81 Tulsa S 31 88  
Johannesburg S 27 81 Valencia S 29 84  
Jo'burg S 27 81 Warsaw S 30 86  
L. Penn. S 24 75 Vienna S 24 75  
Lisbon S 27 81 W. Mex. F 21 70  
London S 27 81 Zurich C 27 81

C-Cloudy, F-Fair, R-Rain, S-Sunny, T-Thunder, † Noon GMT temperatures.

THE LEX COLUMN

TI's trek back to break-even

The profit and loss account of TI Group shows a steady climb out of the abyss which hit to square with the stock market panic of the last few weeks.

And although the figures from TI's quoted subsidiary British Aluminium still look very ugly, this company—thanks to its disengagement from the Inverclyde smelter a matter of hours before last year's balance sheet was struck—is no longer in mortal peril.

TI reported a microscopic profit for the first six months of 1982, which would have been a £1m pre-tax loss but for the profit on the sale of a few assets by BA. But that compares with a £23.1m loss before property items in the first half of last year, and a £8.4m loss in the second half. Extraordinary charges are also much smaller than they were.

All the same, to be teetering around break-even on annual sales of over £1bn is not TI's ultimate ambition. The gentle improvement in UK demand from the spring of 1981 for about 12 months has come to an end, and the only source of higher profits within immediate view is further loss elimination. Already the deficit in bicycles and machine tools has been considerably cut back, while prices rises have done wonders for steel tube. At British Aluminium, however, semi-fabricated prices are still under downward pressure and it expects a repetition of the first half's £3.7m pre-tax loss in the second six months.

This year's cash outflow for the group, will probably be modest, and barring disasters (the total dividend is now safe at 7½p—which gives a yield of 10.4 per cent at 106p). The shares are far lower than they were a year ago when in some ways TI's future looked bleaker. But for two years now buying TI on the anticipation of a upturn has been a most efficient way of losing money.

General Accident

The composite insurance sector often throws up one horror during its quarterly reporting season. It is the misfortune of General Accident to have disappointed twice in succession. GA's second quarter profit of £17.2m pre-tax shows some of the expected recovery from an appalling first three months, but it still leaves the interim surplus trailing at £2.5m, compared with £32.3m last year.

GA has come badly unstuck

Index rose 6.3 to 547.4

Yesterday's deal with Dome Petroleum is the most important diversification that LASMO has made since it bought Oiler in 1979. It helps to meet the group's crude requirements and gives it a toe-hold in several new exploration areas. Under the terms of the agreement, BP and LASMO will each pay \$10m for Indonesian properties owned by Hudsons Bay Oil and Gas, a Dome subsidiary. In addition, LASMO is buying a medley of other interests for \$16m.

The deal values HBOG's established reserves at under \$1 per barrel, a figure which could fall to between \$3 and \$4 if exploration work goes as planned, and must reflect to some extent Dome's urgent need to dispose of assets. Coming soon after the £75m purchase of a stake in Beatrice, the deal will stretch LASMO's balance sheet. But the company is confident that it can fund all this—and redeem its loan stock next year—without recourse to its shareholders.

Woolworth

Woolworth tries out new trading strategies at a rate of roughly one a year; last year profits were squeezed by the failure of the Crackdown price promotion. In the first months to July, gross margins have been restored and costs seem to have been under tight control, but with a volume decline in the variety stores of about 3 per cent, net margins have been squeezed further. The pre-tax loss has increased from £1.5m to £4.8m, and an improvement in the trading trend over the two quarters is probably more apparent than real. The recently acquired DIY business is looking healthier, however, and may be near to washing its face.

The new strategy is to return to the original Woolworth image — the one it has been trying to escape through the 1970s. In other words it will aim to market modest goods at modest prices; the impact of the accompanying modest margins will presumably be felt next year. Meanwhile, the downward trend in borrowings — on which so much weight is being placed to justify maintaining the dividend — is due mainly to a £30m reduction in stock levels. If Christmas trading does not produce the 6 per cent increase in volume budgeted, the comfort of a 13½ per cent yield may next year prove hollow. The shares rose 19p yesterday to 46p.

LASMO/BP

LASMO has never been flattered by its image as a financial holding company with one delectable North Sea asset. Now, as falling revenues from Ninian and the virtual strike on North Sea investment leave it with a production gap between 1984 and 1986, the company is working hard to change its spots.

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Yesterday's deal with Dome Petroleum is the most important diversification that LASMO has made since it bought Oiler in 1979. It helps to meet the group's crude requirements and gives it a toe-hold in several new exploration areas. Under the terms of the agreement, BP and LASMO will each pay \$10m for Indonesian properties owned by Hudsons Bay Oil and Gas, a Dome subsidiary. In addition, LASMO is buying a medley of other interests for \$16m.

The deal values HBOG's established reserves at under \$1 per barrel, a figure which could fall to between \$3 and \$4 if exploration work goes as planned, and must reflect to some extent Dome's urgent need to dispose of assets. Coming soon after the £75m purchase of a stake in Beatrice, the deal will stretch LASMO's balance sheet. But the company is confident that it can fund all this—and redeem its loan stock next year—without recourse to its shareholders.

Woolworth

Woolworth tries out new trading strategies at a rate of roughly one a year; last year profits were squeezed by the failure of the Crackdown price promotion. In the first months to July, gross margins have been restored and costs seem to have been under tight control, but with a volume decline in the variety stores of about 3 per cent, net margins have been squeezed further. The pre-tax loss has increased from £1.5m to £4.8m, and an improvement in the trading trend over the two quarters is probably more apparent than real. The recently acquired DIY business is looking healthier, however, and may be near to washing its face.

The new strategy is to return to the original Woolworth image — the one it has been trying to escape through the 1970s. In other words it will aim to market modest goods at modest prices; the impact of the accompanying modest margins will presumably be felt next year. Meanwhile, the downward trend in borrowings — on which so much weight is being placed to justify maintaining the dividend — is due mainly to a £30m reduction in stock levels. If Christmas trading does not produce the 6 per cent increase in volume budgeted, the comfort of a 13½ per cent yield may next year prove hollow. The shares rose 19p yesterday to 46p.

LASMO/BP

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